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State of Minnesota

Comprehensive Annual Financial Report

for the year ended June 30, 1987

Prepared by

Department of Finance

Thomas J. Triplett, Commissioner

309 State Administration Building

St. Paul, Minnesota 55155

STATE OF MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDED JUNE 30, 1987

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INTRODUCTION

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STATE OF MINNESOTA
DEPARTMENT OF FINANCE
309 STATE ADMINISTRATION BUILDING
SAINT PAUL, MINNESOTA 55155

612-296-5900

December 10, 1987

The Honorable Rudy Perpich, Governor
and
Members of the Legislature

In accordance with Minnesota Statutes, Section 16A.50, we are submitting the Comprehensive Annual Financial Report for the state of Minnesota for the fiscal year ended June 30, 1987. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) for governmental units, as established by the Governmental Accounting Standards Board (GASB) and have earned an unqualified audit opinion.

The Department of Finance is responsible for the accuracy, fairness, and completeness of the financial statements, including all disclosures, presented in this report. We believe that these statements provide a fair representation of the financial position of the state on June 30, 1987, and the results of operations for the fiscal year then ended, in accordance with generally accepted accounting principles. These statements, of necessity, include some amounts which are based on management's best estimates and judgment. An overview of the report follows this letter.

FINANCIAL HIGHLIGHTS

General Fund

During fiscal year 1987 the total fund balance, on a GAAP basis, for the General Fund increased by $108 million to $441.6 million. At June 30, 1987, the unrestricted portion of the fund balance was $61.7 million, after providing for the $250 million budgetary reserve. This is down from $178.8 million at the end of fiscal year 1986. However at the end of 1986 there was no budgetary reserve. On a budgetary basis, the June 30, 1987, unrestricted fund balance for the General Fund was $168.5 million, compared to $266.7 last year. The 1987 amount reflects the deduction for the budgetary reserve.

Debt Administration

Minnesota's credit ratings on general obligation bonds are AA+ (Standard and Poor's) and Aa (Moody's). During fiscal year 1987 the state issued $8 million of new general obligation bonds (for the Family Farm Security Loan Program) and redeemed $81.7 million of bonds. In addition, $236.5 million in general obligation refunding bonds were sold. The refunding bonds replaced $227.8 million of bonds originally issued in November 1980 and March and July 1984. The present value savings resulting from this refunding issue was $10.6 million.

Unemployment Trust Fund debt: The borrowing needed from the federal government to finance the payment of unemployment compensation from the Unemployment Compensation Trust Fund, in past years, was repaid during fiscal year 1987. Because these loans were paid off the state was able to avoid a federally mandated increase in the unemployment taxes paid by employers.

Tax law changes: The 1987 tax law increased the fairness of major state taxes while also improving the stability of these revenue sources. Individual income tax liabilities were decreased for a majority of taxpayers and the changes in the tax law simplified the process for most taxpayers. The top corporate income tax rates were dropped and the base was broadened bringing Minnesota's business tax rates more in line with that for other states.

The 1987 Minnesota Tax Law also improved the fairness of the local property tax system by reducing some of the disparity in tax rates between counties and cities. It also dramatically simplified the property tax system by reducing to nine (from 68) the number of classifications for property tax purposes. Other changes in the law also made state spending for property tax relief programs more stable and predictable.

OUTLOOK

Minnesota's economic outlook remains strong. All of the major revenue sources including individual withholding, corporate and sales taxes are forecast to grow modestly in the next biennium. However, we continue to recognize potential uncertainties in the economy. The budget reserve of $250 million, in conjunction with the trigger tax mechanism, provides the state with $450 million in contingency funding to deal with fluctuations in the forecast. In addition, the budget passed in the last legislative session represented the smallest percentage increase in the last twenty-two years. The above actions demonstrate Minnesota's strong commitment to strengthen fiscal management of our resources.

ACKNOWLEDGEMENTS

Although the Department of Finance accepts final responsibility for this report, much of the data was provided by staff in many other state agencies. Assistance from these agencies ranged from providing necessary data to actual preparation of financial statements for their agencies' funds. I want to express my appreciation for the dedication of the many people in the Department of Finance who helped in the preparation of this report as well as for the many people in other agencies without whose efforts this report, with its unqualified audit opinion, would not be possible.

Sincerely,

Tom Triplett
Commissioner

STATE OF MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 1987
FINANCIAL OVERVIEW

REPORTING ENTITY - This report includes all of the funds and activities considered to be a part of the state's reporting entity. In determining that entity, the following criteria were used: financial interdependence, fiscal accountability, administrative control, and scope of public service. Using these criteria, the University of Minnesota is not considered to be a part of the state's reporting entity because its separate governing board gives it a high degree of autonomy.

FINANCIAL REPORT FORMAT - The report is divided into three sections: Introductory Section; Financial Section, including the auditor's opinion and basic financial statements; and the Statistical Section, containing financial and other data for prior and current years.

The Notes to the Financial Statements in the financial section are considered essential for adequate disclosure and fair presentation of this report and are necessary to an understanding of the information included in the statements. They include the Summary of Significant Accounting Policies and other necessary disclosure of matters relating to the financial position of the state.

MANAGEMENT RESPONSIBILITIES

ACCOUNTING SYSTEM AND INTERNAL CONTROLS - The Department of Finance is responsible for the statewide accounting system (SWAS) which is maintained on a budgetary basis of accounting. The budgetary basis recognizes revenues and expenditures essentially on a cash basis, except that encumbrances at year end are considered expenditures. Adjustments to accounting data are necessary to provide financial statements in accordance with GAAP. These adjustments result in the budgetary fund balances often being significantly different from those calculated under GAAP.

The Department of Finance is also responsible for designing and applying the state's system of internal accounting controls. These controls provide reasonable assurance that the state's assets are protected against loss, either intentional or unintentional, and that the accounting records from which the financial statements were prepared are reliable. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefit derived.

BUDGETARY PROCESS

The state's constitutionally prescribed fiscal period is a biennium. The governor's biennial budget is presented to the Legislature in January of the odd numbered years for the upcoming biennium. State statutes require that the budget be balanced, requiring that the projected resources, for the biennium, be sufficient for the budgeted expenditures. Specific legislative appropriations are required before expenditures can be made from several funds. These funds include the General, Trunk Highway, Highway User Tax Distribution, State Airports, Transit Assistance, Game and Fish, Water Recreation, Minnesota Resources, Public Health, Miscellaneous Appropriated, and Environmental Funds.

Budgetary control is provided primarily through the accounting system. Appropriations are established in the accounting system at the amounts provided in the appropriation laws. The accounting system does not permit expenditures in excess of these amounts.

GENERAL GOVERNMENT FINANCIAL SUMMARY

General Fund Activity - General Fund revenues and transfers-in totaled $5,167,071,448 for fiscal year 1987, up 14 percent from those for fiscal year 1986. (Explanation for increase follows table below.) General Fund expenditures and transfers-out for the year totaled $5,059,171,155, an increase of 7.1 percent from the previous year. Of this amount, $4,002,662,501, or 79.1 percent, is in the form of grants and subsidies to local governments, individuals and non-profit organizations.

General Government Functions - General government functions are provided from the General, Special Revenue, Capital Projects and Debt Service Funds. The net revenues, expenditures and transfers for these funds are presented below (expressed in thousands). The percent of total and the increases or decreases over fiscal year 1986 are also presented.

			Increase (Decrease) over F.Y. 1986	
NET REVENUES:	Amount	%	Amount	%
Individual Income Taxes	$2,305,706	29.3%	$ 365,593	18.8%
Corporate Income Taxes	420,030	5.4	48,857	13.2
Sales Tax	1,471,076	18.7	107,179	7.9
Fuel Taxes	355,943	4.5	20,612	6.1
Other Taxes	1,021,536	13.0	141,461	16.1
Federal Revenue	1,763,764	22.4	39,194	2.3
Investment Income	80,076	1.0	(37,941)	(32.2)
Other Revenue	443,970	5.7	16,059	3.8
Total Net Revenues	$7,862,101	100.0%	$ 701,014	9.8%
EXPENDITURES AND TRANSFERS-OUT:				
Protection of Persons/Property	$ 105,762	1.3%	2,724	2.6%
Transportation	241,565	3.1	18,009	8.1
Resource Management	127,161	1.6	9,039	7.6
Economic/Manpower Development	160,071	1.9	3,260	2.1
Education	331,314	4.2	21,135	6.8
Health and Social Services	367,186	4.6	18,194	5.2
General Government	156,648	2.0	4,001	2.6
Capital Outlay	436,154	5.5	877	.2
Debt Service	181,697	2.3	15,763	9.5
Grants and Subsidies	5,564,762	70.4	339,585	6.5
Total Expenditures	$7,672,320	96.9%	$ 432,587	6.0
Net Transfers-Out	244,021	3.1	21,303	9.6
Total Expenditures and Transfers out	$7,916,341	100.0%	$ 453,890	6.1

The higher than average increase in individual income taxes is the result of two factors: first, 1986 individual income tax refunds were higher than normal because of the tax cuts effective for tax year 1985; and, realization of larger than normal capital gains in reaction to federal tax reform. Significant increases in corporate income tax revenues were caused by higher than normal increases in profits and a reduction in corporate tax refunds, possibly due to increased enforcement and compliance efforts. Increase in other taxes was caused by several factors some of which are a one time large gross earnings tax settlement, acceleration of tobacco tax payments, increased purchases in anticipation of a tobacco tax increase and a period of increasing insurance premiums, increasing insurance gross earnings taxes. The significant drop in investment earnings is primarily the result of the continuing decrease in interest rates.

The higher than average increase in expenditures for transportation, coupled with the relatively low increase in capital outlay expenditures is caused by a change in the mix of current (transportation) and capital outlay expenditures for the Department of Transportation. Total expenditures for the department however, did not increase significantly. The cost of fighting forest fires caused the relatively large increase in expenditures for the resource management function.

Debt Policy

The state of Minnesota's debt management policy states that the ratio of budgeted biennial debt service expenditures for general obligation bonded debt, paid by transfers from the General Fund, should not exceed 3% of the total projected biennial unrestricted General Fund nondedicated revenues, net of refunds, on the budgetary basis. The ratio of actual transfers to actual net unrestricted revenues for the biennium ended June 30, 1986, was 2.5%.

The state's debt policy also states that general obligation bonded debt should not exceed 2.5% of the total personal income for the state, as reported for the calendar year most recently ended. This ratio was 1.84% based on general obligation bonded debt outstanding at June 30, 1987, and personal income for calendar year 1986.

Cash Management

General Fund cash flow shortages that necessitated short-term borrowing since fiscal year 1981 have been eliminated. No borrowing has been necessary to meet cash flow needs for the past two years and none is anticipated for the coming biennium. Short-term borrowing reached a high in fiscal year 1983 when $850 million was needed to meet anticipated cash deficiencies.

Minnesota's need to borrow to meet cash flow needs in past years resulted from declining cash balances at the beginning of the fiscal year, imbalances in the timing of receipts and expenditures during the first half of each fiscal year, and revenue shortfalls in fiscal years 1981 to 1983. The legislature reduced the timing imbalances by rescheduling some payments, and provided for a budget reserve, which helped eliminate the need for short-term borrowing.

AUDITS

The Office of the Legislative Auditor performs post-audits of the activities of state agencies. Accordingly, they performed the audit of these financial statements and their opinion is included. Additionally they issue a management letter to each state agency and a summary report to the legislature.

As a part of the audit of these financial statements a single audit of federal programs is being conducted by the Office of the Legislative Auditor. This audit meets the requirements of the federal Single Audit Act of 1984. The audit covers federal grant activity for state agencies for the year ended June 30, 1987. A supplementary report, "Financial and Compliance Report on Federally Assisted Programs" will be available in March, 1988.

CERTIFICATE

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Minnesota for its comprehensive annual financial report for the fiscal year ended June 30, 1986.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1986

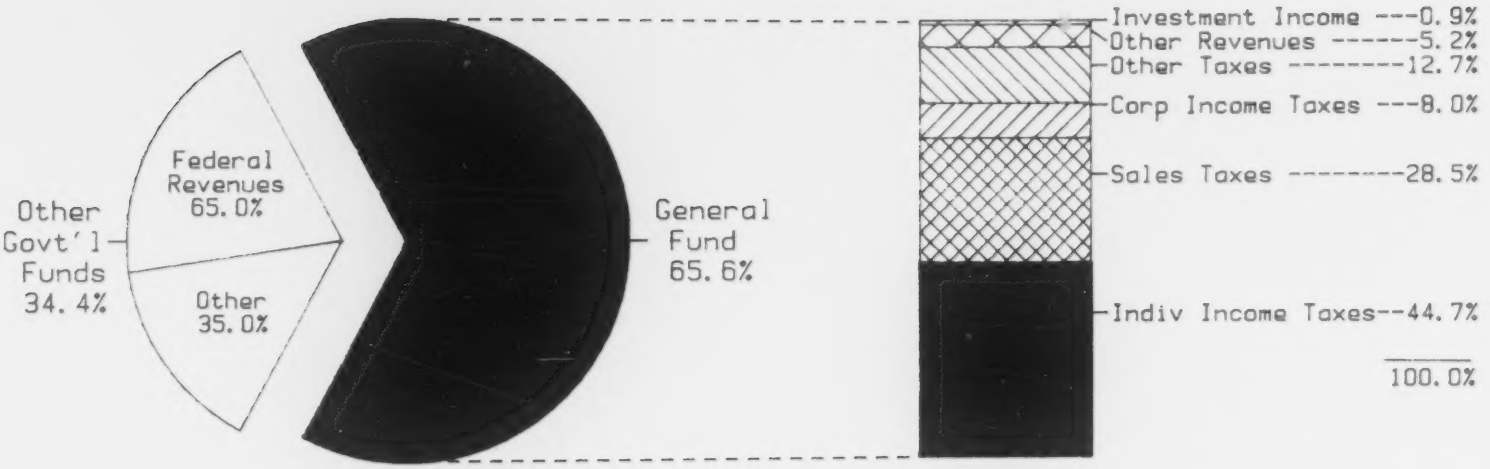
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to governmental units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) are judged to substantially conform to program standards.

President

Executive Director

The State of Minnesota was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada for its Annual Financial Report for the year ended June 30, 1986. Only six states, Minnesota, Illinois, Maryland, Tennessee, Utah, and the Commonwealth of Virginia, currently hold a valid Certificate of Achievement.

STATE OF MINNESOTA
GOVERNMENTAL FUND REVENUES
FISCAL YEAR 1987

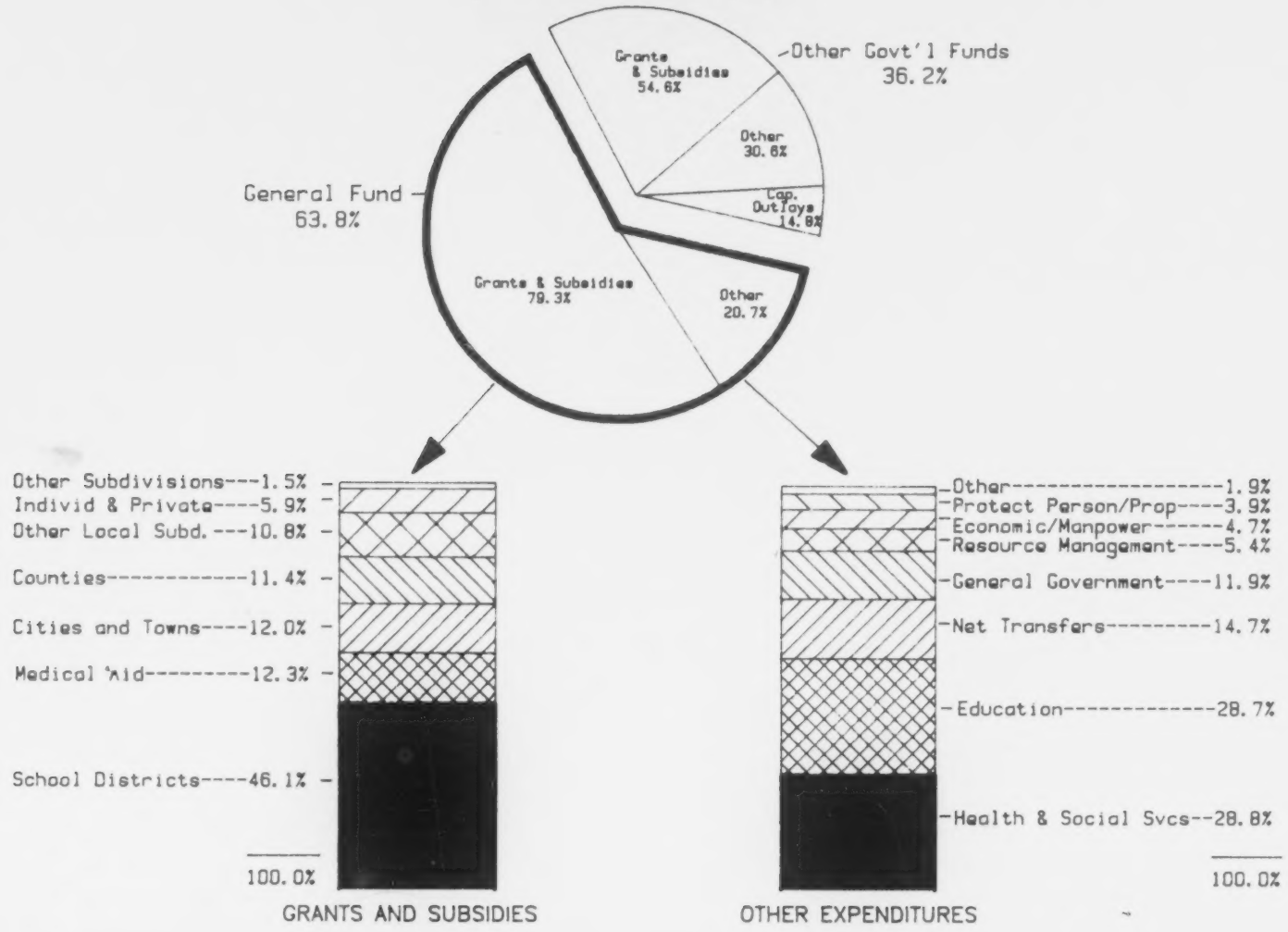


TOTAL REVENUES

GENERAL FUND

STATE OF MINNESOTA
GOVERNMENTAL FUND EXPENDITURES
FISCAL YEAR 1987

TOTAL EXPENDITURES



STATE OF MINNESOTA
Principal Officials

EXECUTIVE BRANCH

GOVERNOR: Rudy Perpich

LIEUTENANT GOVERNOR: Marlene Johnson

ATTORNEY GENERAL: Hubert H. Humphrey, III

STATE TREASURER: Michael M. McGrath

SECRETARY OF STATE: Joan Anderson Growe

STATE AUDITOR: Arne H. Carlson

LEGISLATIVE BRANCH

HOUSE OF REPRESENTATIVES

SPEAKER OF THE HOUSE: Robert E. Vanasek

SENATE

PRESIDENT OF THE SENATE: Jerome M. Hughes

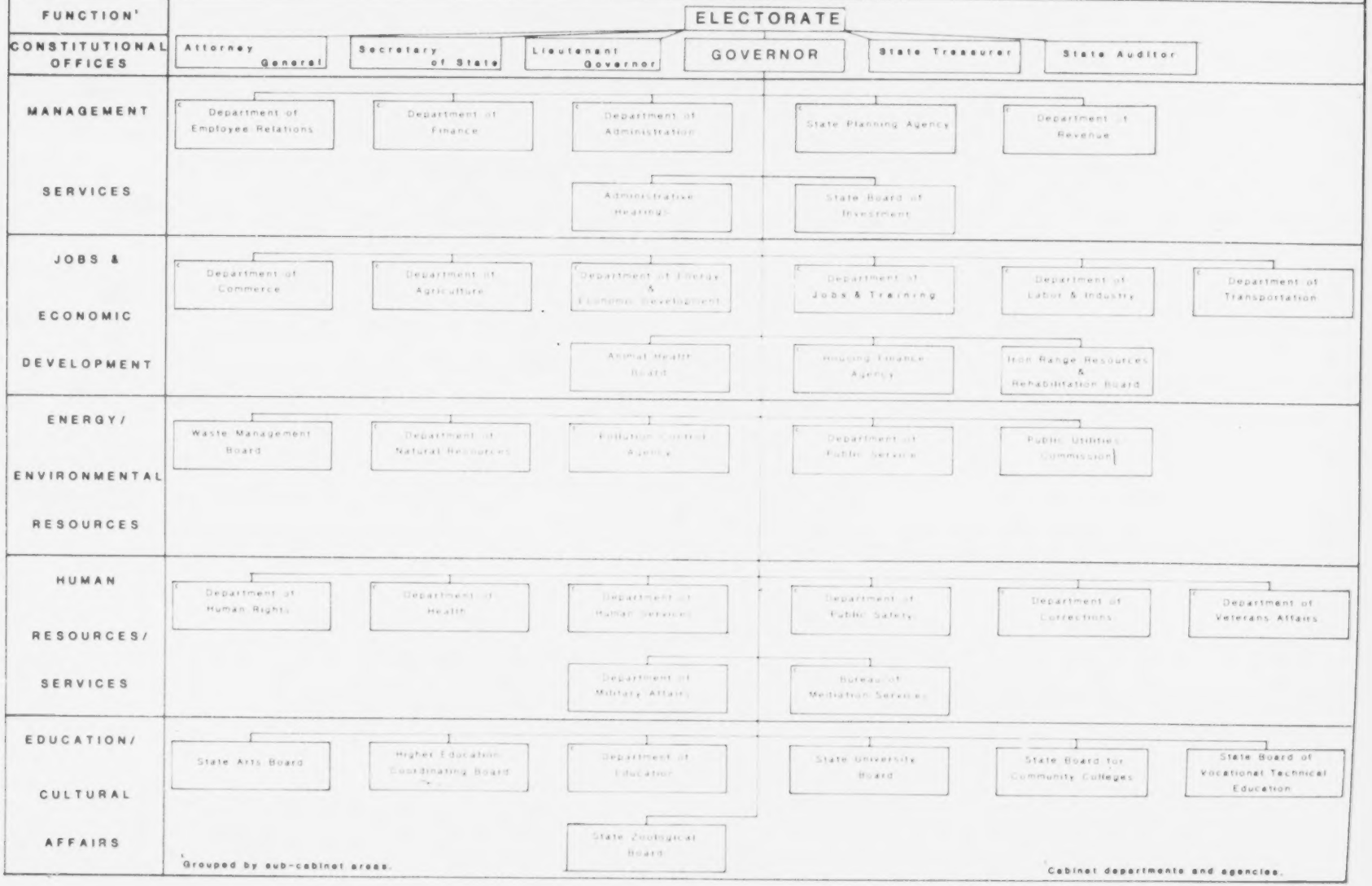
JUDICIAL BRANCH

SUPREME COURT

CHIEF JUSTICE: Douglas K. Amdahl

ORGANIZATION CHART of the EXECUTIVE BRANCH
STATE OF MINNESOTA

Department of Administration
December, 1986



*Grouped by sub-cabinet areas.

*Cabinet departments and agencies.

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FINANCIAL SECTION

General Purpose Financial Statements

STATE OF MINNESOTA
OFFICE OF THE LEGISLATIVE AUDITOR
VETERANS SERVICE BUILDING, ST. PAUL, MN 55155 • 612/296-4708
JAMES R. NOBLES, LEGISLATIVE AUDITOR

Members of the Legislature

The Honorable Rudy Perpich, Governor

Thomas Triplett, Commissioner, Department of Finance

We have examined the general purpose financial statements of the State of Minnesota as of and for the year ended June 30, 1987, as listed in the Table of Contents. Our examination was made in accordance with generally accepted auditing standards and included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the general purpose financial statements referred to above present fairly the financial position of the State of Minnesota at June 30, 1987, and the results of its operations and changes in financial position of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year after giving retroactive effect to the accounting and reporting changes, with which we concur, as explained in Note 23.

Our examination was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and account group financial statements and schedules listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Minnesota. Such information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

James R. Nobles
Legislative Auditor

John Asmussen, CPA
Deputy Legislative Auditor

November 17, 1987

STATE OF MINNESOTA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1987
(IN THOUSANDS)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE
ASSETS AND OTHER DEBITS				
Cash and Investments	$614,036	$401,796	$ 15,078	$176,598
Accounts Receivable	37,287	35,548	4	-
Due from Other Funds	7,818	18,831	6,150	2,353
Accrued Income	7,358	2,321	-	4,543
Federal Aid Receivable	-	189,875	126	-
Inventories	-	30,714	-	-
Deferred Costs	132	5,259	713	-
Restricted Assets	-	-	-	-
Loans/Notes/Financing Leases Receivable	20,104	46,863	22,626	-
Advances to Other Funds	34,505	83	-	-
Fixed Assets (Net)	-	-	-	-
Other Assets	-	-	-	-
Amount Available in Debt Service Fund	-	-	-	-
Amount to be Provided from General Fund	-	-	-	-
Amount to be Provided from Special Revenue Funds	-	-	-	-
Total Assets and Amounts to be Provided	$721,240	$731,290	$ 44,697	$183,494
LIABILITIES AND EQUITY				
Liabilities:				
Warrants Payable	$ -	$ -	$ -	$ -
Accounts Payable	218,263	314,558	21,013	668
Accrued Interest Payable	-	-	-	-
Payable to Other Funds	17,375	18,284	2,197	-
Payable to Other Governmental Units	-	7,776	-	-
Deferred Revenue	44,018	10,070	-	-
Payable from Restricted Assets	-	-	-	-
Loans Payable	-	-	-	-
Installment Purchases Payable	-	-	-	-
Claims and Judgments Payable	-	-	-	-
General Obligation Bonds Payable	-	-	-	-
Revenue Bonds Payable	-	-	-	-
Grants and Subsidies Payable	-	-	-	-
Compensated Absences Payable	-	-	-	-
Advances from Other Funds	-	5,844	29,516	-
Capital Leases Payable	-	-	-	-
Funds Held in Trust	-	-	-	1,617
Pension Liabilities	-	-	-	-
Other Liabilities	-	-	-	-
Total Liabilities	$279,656	$356,532	$ 52,726	$ 2,285
Equity:				
Contributed Capital	$ -	$ -	$ -	$ -
Investment in General Fixed Assets	-	-	-	-
Retained Earnings:				
Reserved for Debt Requirements/Claims	-	-	-	-
Reserved per Law	-	-	-	-
Unreserved Retained Earnings	-	-	-	-
Fund Balances:				
Reserved for Encumbrances	66,997	81,834	-	-
Reserved for Inventory	-	30,714	-	-
Reserved for Long-Term Receivables	24,714	47,018	21,951	-
Reserved for Long-Term Commitments	-	62,447	11,055	-
Reserved for Local Governments	-	-	-	-
Reserved for Endowment Principal	-	-	-	-
Reserved for Debt Requirements	-	-	-	181,209
Reserved for Employee Benefits	-	-	-	-
Budgetary Reserve	250,000	-	-	-
Reserved for Other	132	53,633	713	-
Unreserved Fund Balances:				
Designated for Appropriation Carryover	38,016	18,026	6,761	-
Designated for Fund Purposes	-	58,731	-	-
Undesignated	61,725	22,355	(48,509)	-
Total Equity	$441,584	$374,758	$ (8,029)	$181,209
Total Liabilities and Equity	$721,240	$731,290	$ 44,697	$183,494

The notes are an integral part of the financial statements.

STATE OF MINNESOTA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1987
(IN THOUSANDS)

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATION	
$ 805,456	$13,260	$ 9,971,641	$ -	$ -	$11,997,865
8,537	5,311	78,887	-	-	165,574
-	249	43,669	-	-	79,070
29,485	68	84,602	-	-	128,377
-	-	56	-	-	190,057
11,526	775	-	-	-	43,015
31,031	292	180	-	-	37,607
396,895	-	-	-	-	396,895
1,547,033	376	9,749	-	-	1,646,751
8	-	4,000	-	-	38,596
75,478	13,017	16,036	1,297,908	-	1,402,439
17	14	20	-	-	51
-	-	-	-	90,640	90,640
-	-	-	-	1,308,927	1,308,927
-	-	-	-	154,070	154,070
$2,905,466	$33,362	$10,208,840	$1,297,908	$1,553,637	$17,679,934
$ -	$ -	$ 120,901	$ -	$ -	$ 120,901
3,780	4,710	55,820	-	-	618,812
547	59	-	-	-	606
-	473	40,741	-	-	79,070
-	-	3,099	-	-	10,875
9,977	103	2,764	-	-	66,932
164,695	-	-	-	-	164,695
-	-	-	-	9,899	9,899
-	1,174	-	-	-	1,174
-	-	-	-	18,629	18,629
12,419	-	-	-	1,137,560	1,149,979
1,999,392	14,286	-	-	-	2,013,678
-	-	-	-	286,766	286,766
1,925	1,408	522	-	94,567	98,422
122	2,568	546	-	-	38,596
87	1,699	-	-	1,635	3,421
123,424	-	1,072,540	-	-	1,197,581
-	-	-	-	4,581	4,581
215	-	-	-	-	215
$2,316,583	$26,480	$ 1,296,933	$ -	$1,553,637	$ 5,884,832
$ 40,175	$ 7,500	$ -	$ -	$ -	$ 47,675
-	-	-	1,297,908	-	1,297,908
86,558	381	-	-	-	86,939
153,358	-	-	-	-	153,358
308,792	(999)	-	-	-	307,793
-	-	2,751	-	-	151,582
-	-	-	-	-	30,714
-	-	37,140	-	-	130,823
-	-	-	-	-	73,502
-	-	305,532	-	-	305,532
-	-	355,273	-	-	355,273
-	-	-	-	-	181,209
-	-	8,080,992	-	-	8,080,992
-	-	-	-	-	250,000
-	-	5,936	-	-	60,414
-	-	-	-	-	62,803
-	-	128,443	-	-	187,174
-	-	(4,160)	-	-	31,411
$ 588,883	$ 6,882	$ 8,911,907	$1,297,908	$ -	$11,795,102
$2,905,466	$33,362	$10,208,840	$1,297,908	$1,553,637	$17,679,934

The notes are an integral part of the financial statements.

STATE OF MINNESOTA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	EXPENDABLE TRUST	
Revenues:						
Individual Income Taxes	$2,757,164	$ -	$ -	$ -	$ -	$2,757,164
Corporate Income Taxes	498,143	2,948	-	-	-	501,091
Sales Taxes	1,478,303	-	-	-	-	1,478,303
Other Taxes	655,508	751,262	-	-	396,836	1,803,606
Federal Revenues	5,134	1,759,700	1,549	218	19,067	1,785,668
License Fees	17,905	46,055	-	-	-	63,960
Care and Hospitalization	93,938	4,944	-	-	-	98,882
Tuition and Student Fees	99,162	4,543	-	-	-	103,705
Investment Income	44,674	19,161	4,725	11,516	28,000	108,076
Other Revenues	55,022	124,994	128	219	84,301	264,664
Gross Revenues	$5,704,953	$2,713,607	$ 6,402	$ 11,953	$ 528,204	$8,965,119
Less Revenue Refunds	548,430	26,385	-	-	69	574,884
Net Revenues	$5,156,523	$2,687,222	$ 6,402	$ 11,953	$ 528,135	$8,390,235
Expenditures:						
Current:						
Protection of Persons and Property	$ 40,506	$ 65,068	$ 188	$ -	$ 268	$ 106,030
Transportation	1,532	240,020	13	-	2,101	243,666
Resource Management	56,335	67,076	3,750	-	251	127,412
Economic and Manpower Development	49,661	110,306	104	-	295	160,366
Education	299,870	24,888	6,556	-	2,566	333,880
Health and Social Services	300,786	66,400	-	-	352	367,538
General Government	124,584	21,835	10,229	-	85,453	242,101
Total Current Expenditures	$ 873,274	$ 595,593	$ 20,840	$ -	$ 91,286	$1,580,993
Capital Outlay	13,507	395,227	27,420	-	-	436,154
Debt Service	5,193	-	-	176,504	-	181,697
Grants and Subsidies	4,002,663	1,478,118	83,982	-	570,661	6,135,424
Total Expenditures	$4,894,637	$2,468,938	$ 132,242	$ 176,504	$ 661,947	$8,334,268
Excess of Revenues Over (Under) Expenditures	$ 261,886	$ 218,284	$(125,840)	$(164,551)	$(133,812)	$ 55,967
Other Financing Sources (Uses):						
General Obligation Bonds	$ -	$ 8,000	$ 1,000	$ -	$ -	$ 9,000
Proceeds of Refunding Bonds	-	-	-	236,500	-	236,500
Operating Transfers-In	6,676	392,261	6,146	130,264	252,711	788,058
Operating Transfers to Debt Service	(109,296)	(17,615)	(3,353)	-	-	(130,264)
Other Operating Transfers-Out	(55,069)	(593,860)	(30)	-	(4,670)	(653,629)
Payment to Refunded Bond Escrow Agent	-	-	-	(234,541)	-	(234,541)
Capital Leases	89	-	-	-	-	89
Loan Proceeds	-	7,959	-	-	-	7,959
Other Uses	-	-	(870)	-	-	(870)
Net Other Financing Sources (Uses)	$ (157,600)	$ (203,255)	$ 2,893	$ 132,223	$ 248,041	$ 22,302
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ 104,286	$ 15,029	$(122,947)	$ (32,328)	$ 114,229	$ 78,269
Fund Balances, July 1, 1986, as Reported	$ 333,594	$ 342,523	$ 117,819	$ 210,555	$ 359,426	$1,363,917
Prior Period Adjustments	-	11,458	-	-	1,987	13,445
Fund Balances, July 1, 1986, as Restated	$ 333,594	$ 353,981	$ 117,819	$ 210,555	$ 361,413	$1,377,362
Residual Equity Transfers-In	3,873	36,986	-	2,982	-	43,841
Residual Equity Transfers-Out	(169)	(40,915)	(2,901)	-	-	(43,985)
Change in Inventory	-	9,677	-	-	-	9,677
Fund Balances, June 30, 1987	$ 441,584	$ 374,758	$ (8,029)	$ 181,209	$ 475,642	$1,465,164

The notes are an integral part of the financial statements.

STATE OF MINNESOTA
COMBINED SCHEDULE OF BUDGET AND ACTUAL REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND AND APPROPRIATED SPECIAL REVENUE FUNDS
BUDGETARY BASIS
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:						
Individual Income Taxes	$2,704,400	$2,763,700	$ 59,300	$ -	$ -	$ -
Corporate Income Taxes	472,400	501,170	28,770	3,043	2,948	(95)
Sales Taxes	1,441,400	1,477,592	36,192	-	-	-
Motor Vehicle License Taxes	-	-	-	256,433	258,845	2,412
Fuel Taxes	-	-	-	344,466	361,323	16,857
Other Taxes	632,326	656,649	24,323	45,121	48,986	3,865
Federal Revenues	6,234	5,134	(1,100)	306,974	303,340	(3,634)
Other Intergovernmental Revenues	63,074	63,265	191	-	-	-
License Fees	14,994	17,907	2,913	28,650	36,337	7,687
Care and Hospitalization	143,673	143,564	(109)	3,891	4,944	1,053
Tuition and Student Fees	101,892	99,254	(2,638)	-	-	-
Investment Income	38,245	44,179	5,934	10,335	11,990	1,655
Other Revenues	86,450	89,981	3,531	56,659	66,282	9,623
Gross Revenues	$5,705,088	$5,862,395	$157,307	$1,055,572	$1,094,995	$ 39,423
Less Revenue Refunds	554,035	553,165	870	23,328	23,842	(514)
Net Revenues	$5,151,053	$5,309,230	$158,177	$1,032,244	$1,071,153	$ 38,909
Expenditures:						
Current:						
Protection of Persons and Property	$ 40,621	$ 40,146	$ 475	$ 59,533	$ 54,951	$ 4,582
Transportation	4,885	1,102	3,783	239,175	239,545	(370)
Resource Management	62,473	57,824	4,649	47,778	44,805	2,973
Economic and Manpower Development	57,243	52,119	5,124	1,770	1,845	(75)
Education	307,309	305,360	1,949	85	80	5
Health and Social Services	327,077	320,501	6,576	16,990	16,856	134
General Government	136,030	134,260	1,770	10,645	10,094	551
Total Current Expenditures	$ 935,638	$ 911,312	$ 24,326	$ 375,976	$ 368,176	$ 7,800
Capital Outlay	20,541	19,909	632	409,025	402,008	7,017
Grants and Subsidies	4,178,678	4,133,807	44,871	54,439	43,562	10,877
Total Expenditures	$5,134,857	$5,065,028	$ 69,829	$ 839,440	$ 813,746	$ 25,694
Excess of Revenues Over Expenditures	$ 16,196	$ 244,202	$228,006	$ 192,804	$ 257,407	$ 64,603
Other Sources (Uses):						
Operating Transfers-In	$ 9,405	$ 10,672	$ 1,267	$ 365,337	$ 367,894	$ 2,557
Operating Transfers to Debt Service	(108,141)	(109,326)	(1,185)	(16,177)	(15,967)	210
Other Operating Transfers-Out	(55,428)	(55,505)	(77)	(573,527)	(597,124)	(23,597)
Loan Proceeds	-	-	-	-	1,857	1,857
Net Other Sources (Uses)	$ (154,164)	$ (154,159)	$ 5	$ (224,367)	$ (243,340)	$(18,973)
Excess of Revenues Over (Under) Expenditures and Net Other Sources (Uses)	$ (137,968)	$ 90,043	$228,011	$ (31,563)	$ 14,067	$ 45,630
Fund Balances, July 1, 1986	370,222	370,222	-	82,712	82,712	-
Prior Year Adjustments	16,324	17,220	896	3,845	8,558	4,713
Fund Balances, June 30, 1987	$ 248,578	$ 477,485	$228,907	$ 54,994	$ 105,337	$ 50,343
Less Appropriation Carryover	-	58,956	(58,956)	17,996	30,000	(12,004)
Less Budgetary Reserve	206,534	250,000	(43,466)	-	-	-
Undesignated Fund Balances, June 30, 1987	$ 42,044	$ 168,529	$126,485	$ 36,998	$ 75,337	$ 38,339

The notes are an integral part of the financial statements.

STATE OF MINNESOTA
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES/FUNDS HELD IN TRUST
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		TOTALS (MEMORANDUM ONLY)
				NONEXPENDABLE TRUST FUND	
	ENTERPRISE	INTERNAL SERVICE	PENSION TRUST	PERMANENT SCHOOL	
Operating Revenues:					
Net Sales	$ 26,030	$12,742	$ -	$ 4,636	$ 43,408
Contributions	-	-	478,251	-	478,251
Interest Income	123,808	-	-	-	123,808
Investment Income	41,796	-	959,086	29,814	1,030,696
Rental and Service Fees	44,020	36,240	-	-	80,260
Realized and Unrealized Gains (Losses)	-	-	(99,314)	1,376	(97,938)
Other Income	3,228	910	6,303	-	10,441
Total Operating Revenues	$238,882	$49,892	$ 1,344,326	$ 35,826	$ 1,668,926
Less Cost of Goods Sold	16,917	9,917	-	-	26,834
Gross Margin	$221,965	$39,975	$ 1,344,326	$ 35,826	$ 1,642,092
Operating Expenses:					
Annuity Payments	$ -	$ -	$ 330,823	$ -	$ 330,823
Refunded Contributions	-	-	29,511	-	29,511
Interest and Financing Costs	162,327	2,040	4,802	-	169,169
Purchased Services	24,771	11,884	1,752	-	38,407
Investment Management Fees	-	-	8,300	-	8,300
Salaries and Fringe Benefits	30,061	15,265	4,685	-	50,011
Depreciation	4,794	3,695	210	-	8,699
Amortization	3,794	2,050	-	-	5,844
Supplies and Materials	3,628	2,122	85	-	5,835
Indirect Costs	816	1,509	142	-	2,467
Other Expenses	5,991	276	413	-	6,680
Total Operating Expenses	$236,182	$38,841	$ 380,723	$ -	$ 655,746
Operating Income (Loss)	$(14,217)	$ 1,134	$ 963,603	$ 35,826	$ 986,346
Nonoperating Revenues (Expenses):					
Investment Income	$ 35,801	$ 1,308	$ -	$ -	$ 37,109
Participant Contributions	-	-	29,381	-	29,381
Federal Grants & Subsidies	60,674	-	-	-	60,674
Other Nonoperating Revenues	1,649	27	-	-	1,676
Participant Withdrawals	-	-	(20,351)	-	(20,351)
Grants, Aids and Subsidies	(62,448)	-	-	-	(62,448)
Other Nonoperating Expenses	(675)	-	-	-	(675)
Loss on Sale of Fixed Assets	(165)	(391)	-	-	(556)
Net Nonoperating Revenues	$ 34,836	$ 944	$ 9,030	$ -	$ 44,810
Income Before Operating Transfers	$ 20,619	$ 2,078	$ 972,633	$ 35,826	$ 1,031,156
Operating Transfers-In	37,078	-	5,110	-	42,188
Operating Transfers-Out	(13,013)	(1,891)	(350)	(31,099)	(46,353)
Net Income	$ 44,684	$ 187	$ 977,393	$ 4,727	$ 1,026,991
Depreciation on Fixed Assets Acquired with Contributed Capital	365	2	-	-	367
Increase in Retained Earnings/Fund Balances/ Funds Held in Trust	$ 45,049	$ 189	$ 977,393	$ 4,727	$ 1,027,358
Retained Earnings/Fund Balances/Funds Held in Trust, July 1, 1986, as Reported	$475,345	$ (807)	$11,291,095	$350,546	$12,116,179
Prior Period Adjustments	(1,848)	-	-	-	(1,848)
Change in Accounting Principle	30,187	-	(3,268,112)	-	(3,237,925)
Retained Earnings/Fund Balances/Funds Held in Trust, July 1, 1986, as Restated	$503,684	$ (807)	$ 8,022,983	$350,546	$ 8,876,406
Residual Equity Transfers-Out	(25)	-	-	-	(25)
Retained Earnings/Fund Balances/Funds Held in Trust, June 30, 1987	$548,708	$ (618)	$ 9,000,376	$355,273	$ 9,903,739

The notes are an integral part of the financial statements.

STATE OF MINNESOTA
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		TOTALS (MEMORANDUM ONLY)
				NONEXPENDABLE TRUST FUND	
	ENTERPRISE	INTERNAL SERVICE	PENSION TRUST	PERMANENT SCHOOL	
Cash Provided:					
From Operations:					
Net Income	$ 44,684	$ 187	$ 977,393	$ 4,727	$ 1,026,991
Items Added to (Deducted from) Net Income:					
Decrease (Increase) in Current Assets:					
Accounts Receivable	$ (1,635)	$ 401	$ (18,718)	$ 43	$ (19,909)
Due from Other Funds	-	(105)	62,500	-	62,395
Accrued Income	841	353	(11,411)	(1,542)	(11,759)
Inventories	(1,451)	114	-	-	(1,337)
Other Current Assets	823	72	33	-	928
Increase (Decrease) in Current Liabilities:					
Accounts Payable	(2,625)	685	4,798	(3)	2,855
Accrued Interest Payable	(317)	(40)	-	-	(357)
Payable to Other Funds	-	(1,150)	(34,992)	(1,082)	(37,224)
Deferred Revenue	(11,938)	34	(17)	(439)	(12,360)
Other Current Liabilities	17,064	112	22	-	17,198
Depreciation	4,794	3,808	210	-	8,812
Amortization	3,794	2,050	-	-	5,844
Losses on Fixed Asset Sales	165	391	-	-	556
Changes in Other Assets/Liabilities	7,136	57	-	-	7,193
Total Items Added (Deducted)	$ 16,651	$ 6,782	$ 2,425	$ (3,023)	$ 22,835
Total Cash Provided from Operations	$ 61,335	$ 6,969	$ 979,818	$ 1,704	$ 1,049,826
Other Cash Provided:					
Proceeds from Sale of Bonds	$ 116,255	$ 238	$ -	$ -	$ 116,493
Reduction of Loans and Financing Leases Receivable	150,713	220	-	-	150,933
Increase in Capital Leases Payable	20	937	-	-	957
Increase in Installment Purchases Payable	-	1,261	-	-	1,261
Capital Contributions	247	2	-	-	249
Proceeds from Sales of Fixed Assets	46	744	17	-	807
Other Cash Provided	7,682	1,026	-	-	8,708
Total Other Cash Provided	$ 274,963	$ 4,428	$ 17	$ -	$ 279,408
Total Cash Provided	$ 336,298	$11,397	$ 979,835	$ 1,704	$ 1,329,234
Cash Applied:					
Loans Issued	$ 146,725	$ -	$ -	$ -	$ 146,725
Investments in Fixed Assets	5,171	2,573	171	-	7,915
Investments in Leasehold Improvements	-	529	-	-	529
Deferred Costs	-	33	-	-	33
Reduction of Indebtedness	201,141	14,392	-	-	215,533
Reduction of Capital Leases Payable	9	641	-	-	650
Reduction of Installment Purchases Payable	-	239	-	-	239
Other Cash Applied	54	3	-	-	57
Total Cash Applied	$ 353,100	$18,410	$ 171	$ -	$ 371,681
Net Increase (Decrease) in Cash and Investments	$ (16,802)	$(7,013)	$ 979,664	$ 1,704	$ 957,553
Cash and Investments, July 1, 1986, as Reported	$1,218,385	$20,273	$11,185,459	$348,296	$12,772,413
Change in Accounting Principle	-	-	(3,268,169)	-	(3,268,169)
Cash and Investments, July 1, 1986, as Restated	$1,218,385	$20,273	$ 7,917,290	$348,296	$ 9,504,244
Cash and Investments, June 30, 1987	$1,201,583	$13,260	$ 8,896,954	$350,000	$10,461,797

The notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1987

These notes provide disclosures relevant to the combined financial statements on the preceding pages.

1. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Basis of Presentation

The reporting policies of the state of Minnesota conform to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Financial Reporting Entity of the State of Minnesota

This report includes the various state departments, agencies, institutions and organizational units which are controlled by or dependent upon the Minnesota Legislature and/or its constitutional officers. The criteria used to determine the state's reporting entity were degrees of financial interdependence, fiscal accountability, administrative control, and scope of public service. All governmental units not meeting those criteria, and therefore considered to be autonomous from the state, have been excluded from this report.

Although partially supported by state appropriations, the University of Minnesota has not been included in the reporting entity. The high degree of autonomy of the University was of primary importance in deciding upon its exclusion. This autonomy is attributed to the independence of its governing board, the Board of Regents, which controls the administration and operation of the University. The Board of Regents' authority for overall budget approval and responsibility for funding of deficits or use of surpluses were also significant in determining the University's exclusion. The University is the only significant exclusion from the state's reporting entity.

However, the state universities and community colleges are an integral part of the state's operations. Their primary operations are accounted for on the Statewide Accounting System and they are subject to the same controls as all other state agencies. The results of operations and the financial position for the colleges and universities therefore do not appear as discrete presentations (component units) in these financial statements but are reported along with the activities of all state agencies in the appropriate funds or fund types.

The organizations below, which are included in this report, also prepare and publish their own financial reports which may contain differences in presentation resulting from differing reporting emphasis:

Minnesota Housing Finance Agency
Higher Education Facilities Authority
State University Board (revenue fund)
Higher Education Coordinating Board (student loan fund)
Minnesota Energy and Economic Development Authority
Minnesota Zoological Garden
Public Employees Retirement Association
Teachers Retirement Association
Minnesota State Retirement System
State Board of Investment (investment trust funds)

Copies of their reports may be obtained directly from the organizations.

Classification of Funds

Individual funds have been established as stipulated by legal provisions or by administrative discretion. The funds presented are classified according to GAAP as follows.

Governmental Funds

These funds account for the acquisition, use and balances of expendable financial resources and the related current liabilities. Most state operations are accounted for in this fund category. Included in this classification are the General Fund, which accounts for all financial resources except those required to be accounted for in another fund, and special revenue, capital projects and debt service (accounts for the accumulation of resources for, and the payment of most general obligation long-term debt principal and interest) fund types.

Proprietary Funds

These funds account for all assets, liabilities and equities, and match revenues and expenses to determine net income and capital maintenance. The generic fund types included in this category are the enterprise and internal service fund types.

Fiduciary Funds

These funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Included in this fund category are expendable and nonexpendable trust, pension trust and agency fund types. Depending on their nature, fiduciary funds are classified for accounting measurement purposes like governmental (expendable trust funds) or proprietary funds (pension trust and nonexpendable trust funds). Agency funds are custodial in nature; thus they do not measure results of operations.

Account Groups

Account groups provide the means to account for the fixed assets acquired, and the general obligation long-term indebtedness, for all governmental fund types.

Basis of Accounting

All proprietary, pension trust and nonexpendable trust funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized as they are incurred. All governmental, expendable trust and agency funds are accounted for using the modified accrual basis of accounting. The modified accrual basis of accounting includes the following recognition principles.

Revenues: individual income, sales and unemployment compensation taxes and federal grants are the major revenue sources susceptible to accrual. Tax revenues are recognized in the period they become both measurable and available to finance expenditures of the current period. Measurable means that taxpayer liability is supported by sufficient documentation and can be reasonably estimated. Available means collectible by the September close of the books. Similarly, anticipated refunds of such taxes are recorded as reductions in revenue in the period when the claim is received and the state's liability is measurable. Federal grants collected on a reimbursement basis are recognized as revenue when reimbursable expenditures are made. Revenues collected on an advance basis, including certain federal grant revenues, to which the state does not yet have legal entitlement, are reported as deferred revenue until the related commitment arises, at which time revenue is recognized.

Expenditures and Related Liabilities: expenditures and payables are recognized when obligations are incurred as a result of the receipt of goods and services. Grant expenditures are discussed separately.

Encumbrance Accounting: Encumbrance accounting is used for budgetary control and reporting purposes only. In the financial statements encumbrances are recorded only in the balance sheet as a reservation of fund balance for subsequent year expenditures, except for those long-term commitments which rely significantly on future resources as discussed in Note 12.

Grants and Subsidies Expenditures and Liabilities Recognition

Grants and subsidies are contributions of cash or other assets by the state to other governmental units, individuals or to nongovernmental organizations. The GAAP requirement that expenditures and liabilities be recognized at the point goods and services are received is not relevant for grants because the state does not receive a direct service for grant payments. It is therefore necessary to use different criteria for the recognition of grant expenditures and liabilities.

Grants are normally paid on an entitlement or reimbursement basis. Reimbursements can be for specific services provided to specific eligible recipients or such reimbursements can be for eligible types of expenditures. Grants paid on a reimbursement basis are recognized as expenditures and liabilities in the year in which the grantee incurs the costs of specific services to eligible recipients or makes eligible types of expenditures. Entitlement type grants may be based on services provided by the grantee which the grant is meant to help fund, but not based on the cost of providing the service. Expenditures and related liabilities for these types of entitlement grants are recognized as the service is provided if the amount owed is reasonably estimable soon after the end of the fiscal year. Other types of entitlement type grants are not based on services provided or actions taken by the grantee. Expenditures and related liabilities for these types of grants are recognized in the fiscal year in which the resources were appropriated.

Compensated Absences

State employees accrue vacation leave, sick leave and compensatory leave at various rates within limits specified in collective bargaining agreements. Such leave is liquidated in cash primarily only at the time of termination from state employment. For governmental funds, the liability for compensated absences is reported in the General Long-Term Obligation Account Group. All other fund types report this liability as a fund liability.

Investments

Investments are reported at market value for the investment trust and defined contribution funds (fiduciary funds). All other funds report equity securities at cost and debt securities at amortized cost (see Note 2).

Inventories

Inventories for governmental funds are expensed when purchased. Inventories for all other funds are expensed when consumed. Inventories maintained by the various funds are determined by annual and periodic physical counts. Special revenue funds' inventories are valued using the weighted-average cost and specific cost methods. Enterprise funds' inventories are valued using first-in first-out, average cost and specific cost methods. Internal service funds' inventories are valued using the first-in first-out method.

Property, Plant and Equipment

General Fixed Assets - General fixed assets are recorded at cost or, for donated assets, at fair market value at date of acquisition. An inventory of land and buildings for general fixed assets was completed in 1985. Historical cost records for older fixed assets are incomplete or not available. Accordingly, estimated historical costs have been used in these situations. Public domain (infrastructure) general fixed assets such as highways, curbs, bridges and

lighting systems are not capitalized. Depreciation is not provided on general fixed assets nor is interest during construction capitalized.

Proprietary and Fiduciary Fund Types - Fixed assets are stated at cost or, for donated assets, at fair market value at date of acquisition. Such assets are depreciated or amortized on a straight-line basis over the useful lives of the assets. Estimated useful lives are as follows:

Buildings	40-50 years
Improvements (large)	20-50 years
Improvements (small)	3-10 years
Equipment	3-12 years

General Long-Term Liabilities

All unmatured long-term indebtedness not reported in a proprietary or fiduciary fund is accounted for in the General Long-Term Obligation Account Group. Included among these liabilities are the noncurrent portions of liabilities resulting from debt issuances, compensated absences, claims, judgments, some unfunded pension liabilities (see Note 20) and others.

Risk Management

The state is self-insured for all losses. Insurance coverage is prohibited by statute except for college and university property, farms repossessed under the Family Farm Security Loan Program, and workers' compensation coverage for military affairs. The state has established the Risk Management Fund (an internal service fund) to provide for casualty claims, primarily automobile liabilities, for state agencies. For catastrophic workers' compensation claims the state is a member of the Workers' Compensation Reinsurance Association (WCRA) which pays for compensation claims in excess of the retention amount which was $370,000 in fiscal year 1987.

Budgeting and Budgetary Control

Minnesota operates on a two-year (biennial) budget cycle ending on June 30 of the odd-numbered years. Appropriations in the biennial budget, however, are usually for a single year. The Governor's budget for the biennium is developed by the Department of Finance and presented to the legislature for approval. Specific appropriations are required for all expenditures from the General Fund and all Special Revenue Funds except the Federal, Maximum Effort School Loan, Special Workers Compensation, Iron Range Resources and Rehabilitation Board (IRRRB) and Nonappropriated Miscellaneous Special Revenue Funds. Some General Fund appropriations are "open appropriations" for entitlement type programs. In these cases, whatever amount is needed to fulfill the entitlement for the fiscal year is made available; i.e., there is no limit on the amount which can be expended for the program. Estimates of the amount needed for such programs are included in the budget forecast.

All expenditures in these appropriated funds are made pursuant to the appropriations in the biennial budget, as amended by subsequent legislative appropriation actions. Budgetary control is essentially maintained at the departmental level except for certain grant and aid programs where control is at the program level. In most departments, upon notification of the Governor and legislative leadership, department heads are permitted to make budget revisions reflecting transfers between programs in their departments.

For most appropriations, unencumbered balances at fiscal year end cancel; for specified others, such balances may carry forward to the subsequent year. The budget and the Statewide Accounting System (SWAS) are maintained essentially on a cash basis with the exception that at year end, encumbered amounts are included in the expenditures of the year appropriated, for budgetary reporting. The SWAS controls expenditures by appropriation line item as established in the legally adopted appropriation bills. A separate report showing the detail of legal level of control and actual expenditures is available from the Department of Finance.

Eliminations

We have incorporated eliminations into the report to exclude the significant double counting of assets and related income caused by the participation of certain fiduciary funds in the investment trust funds (also fiduciary funds). Defined benefit pension and defined contribution funds (pension trust funds) and the Deferred Compensation Fund (an agency fund) invest part of their assets through the investment trust funds (also classified as pension trust funds). See Note 23.

"Memorandum Only" Totals Column

The "Totals (Memorandum Only)" column represents the sum of the combining financial statements. Consolidated financial information is not presented.

2. CASH AND INVESTMENTS

Deposits

Cash in most funds is held in the state treasury and is commingled in state bank accounts. The cash in individual funds may be invested separately, where permitted by statute. However, cash in most funds is invested as a part of an investment pool. Investment earnings of the pools are allocated to the individual funds where provided by statute; earnings for all other funds are credited to the General Fund. Funds without the authority to be invested separately

are part of the "Invested Treasurer's Cash" (ITC). The ITC is available to relieve cash deficiencies in the General Fund, to the extent allowable under Minnesota Statutes, Section 16A.671. The following table summarizes the state's cash included in cash and investments and restricted assets. The deposit with the U.S. Treasury is held for the Unemployment Compensation Fund (an expendable trust fund).

	Carrying Amount
Cash in Bank	$ 56,201,851
Cash with U.S. Treasury	66,975,255
Cash on Hand and Imprest Cash	3,131,681
Total Cash	$126,308,787

At June 30, 1987, the bank balance, for cash in bank, was $52,587,263. Of the bank balance, $43,539,608 was covered by federal depository insurance or by collateral held by the state's agent in the state's name (lowest risk category); $9,047,655 was uninsured and uncollateralized (highest risk category).

Minnesota Statutes, Section 9.031, requires that deposits be secured by depository insurance or a combination of depository insurance and collateral securities held in the state's name by an agent of the state. These statutes further require that such insurance and collateral shall be in amounts sufficient to ensure that the deposits do not exceed 90% of the sum of the insured amount and the market value of the collateral. During fiscal year 1987 the combined insured amount and collateral (held in the state's name by an agent of the state) fell short of the legal requirement by more than $10 million on 121 days.

Investments

Nearly all of the state's investing is managed by the Minnesota State Board of Investment (MSBI). Minnesota Statutes, Section 11A.24 broadly restricts investments to obligations and stocks of U.S. and Canadian governments, their agencies and their registered corporations; short term obligations of specified high quality; restricted participation as a limited partner in venture capital, real estate or resource equity investments; and restricted participation in registered mutual funds. An additional restriction for certain funds is that investments are limited to fixed income securities; this restriction applies to all funds except for Permanent School Fund (a non-expendable trust fund) and defined benefit pension funds and investment trust funds (both are pension trust funds).

Funds not invested by MSBI are primarily enterprise type funds. Investments for these funds must also conform to Minnesota Statutes Section 11A.24 and may be further restricted by bond indentures.

The carrying amount, market value and risk category of the state's investments, as of June 30, 1987, are provided below. Risk category 1 includes investments that are insured or registered, or for which the securities are held by the state or its agent in the state's name. The state has no risk category 2 which otherwise would include uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the state's name. Risk category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer or by its trust department or agent but not in the state's name. The state's investment risk (for repurchase agreements) is reduced by an MSBI policy that limits transactions to those with primary government securities dealers and, in cases where collateral is held by the dealer (risk category 3), only primary dealers whose net excess capital is greater than $200 million.

Investments at June 30, 1987
(in thousands)

Investment Type	Risk Category 1	Risk Category 3	Carrying Amount	Market Value
Repurchase Agreements	$ 121,793	$878,502	$ 1,000,295	$ 1,000,295
Other Short-Term Obligations	2,319,404	-	2,319,404	2,319,404
U.S. and Other Government Obligations	3,769,523	-	3,769,523	3,758,089
Corporate Obligations	1,139,565	-	1,139,565	1,142,603
Corporate Stocks	3,270,926	-	3,270,926	4,078,571
Other Equity	499,685	-	499,685	545,395
Other	4,446	-	4,446	4,446
	$11,125,342	$878,502	$12,003,844	$12,848,803
Mutual funds			127,710	127,710
Deferred Compensation Fund Investments with Outside Administrator			134,516	134,516
Total Investments			$12,266,070	$13,111,029

Repurchase agreements, which are carried at cost, are secured by securities which conform to the restrictions of Minnesota Statutes, Section 11A.24 and having a market value at least equal to the repurchase agreements' principal. Collateral for repurchase agreements in risk category 3 are held and owned by the broker/dealer until final settlement; collateral for repurchase agreements in risk category 1 are held by an agent of the state in the state's name. Other short-term investments are also carried at cost.

During the year, in periods of increased cash flow needs, investment in overnight repurchase agreements, for which the underlying securities were held by the dealer, is significantly greater than at year end. As a result, the

amounts that were in category 3 at those times were significantly higher than at year end.

3. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables, excluding advances to/from other funds, at June 30, 1987 are summarized as follows (in thousands):

	Payable Funds											
		Special Revenue Funds				Fiduciary Funds						
Receivable Funds	General	Highway User Tax Dist.	Other Special Revenue	Capital Project	Internal Service	Permanent School	Public Employees Retirement	Police and Fire	State Employees Retirement	TRA	Other Fiduciary Funds	Total Due From Other Funds
General Fund	$ -	$ 86	$7,309	$ -	$224	$ -	$ -	$ -	$ -	$ -	$ 199	$ 7,818
Special Revenue Funds:												
Trunk Highway	$ -	$ 3,936	$ 116	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 461	4,513
Water Recreation	-	2,214	-	-	-	-	-	-	-	-	-	2,214
Special Workers Compensation	2,000	-	-	-	-	-	-	-	-	-	-	2,000
Appropriated Misc. Special Revenue	2,948	-	230	-	-	-	-	-	-	-	13	3,178
Nonappropriated Misc. Special Revenue	1,908	1,329	150	-	-	2,684	-	-	-	-	-	6,084
Other Special Revenue	437	258	147	-	-	-	-	-	-	-	-	842
Total Special Revenue	$ 7,293	$ 7,737	$ 643	$ -	$ -	$ 2,684	$ -	$ -	$ -	$ -	$ 474	$18,831
Capital Projects Funds	$ 6,146	$ -	$ 4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,150
Debt Service Fund	$ 140	$ -	$ 16	$2,197	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,353
Internal Service Funds	$ -	$ -	$ -	$ -	$249	$ -	$ -	$ -	$ -	$ -	$ -	$ 249
Fiduciary Funds:												
Legislative Retirement	$ 3,068	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,068
Post Retirement	-	-	-	-	-	-	9,827	1,138	1,496	9,169	97	21,727
County State Aid Hwy	-	1,896	-	-	-	-	-	-	-	-	-	1,896
Endowment School	-	-	-	-	-	14,790	-	-	-	-	-	14,790
Other Fiduciary Funds	728	572	21	-	-	-	17	205	-	246	399	2,188
Total Fiduciary Funds	$ 3,796	$ 2,468	$ 21	$ -	$ -	$14,790	$9,844	$1,343	$1,496	$9,415	$ 496	$43,669
Total Payables	$17,375	$10,291	$7,993	$2,197	$473	$17,474	$9,844	$1,343	$1,496	$9,415	$1,169	$79,070

The General Fund has outstanding advances to the Building Fund (a capital project fund), to the Nonappropriated Miscellaneous Special Revenue Fund (a special revenue fund), to several internal service funds, and to the Enterprise Activities Fund (an enterprise fund). The Municipal State Aid Street and the County State Aid Highway Funds (both expendable trust funds) have outstanding advances to the Federal Fund (a special revenue fund).

4. LOANS, NOTES AND FINANCING LEASES RECEIVABLE

Loans, notes, and financing leases receivable, net of allowances for possible loan losses, as of June 30, 1987, consisted of the following (in thousands):

	Fund Types					
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Fiduciary
Minnesota Housing Finance Agency Loans	$ -	$ -	$ -	$1,255,049	$ -	$ -
Guaranteed Student Loans	-	-	-	136,036	-	-
Other Student Loans	-	-	-	52,041	-	-
Higher Education Facilities Authority Loans	-	-	-	34,221	-	-
Energy and Economic Development Loans	-	30,619	-	29,041	-	-
Maximum Effort School Loans	-	-	20,461	-	-	-
School Energy Loans	14,264	-	-	-	-	9,163
Family Farm Loans	-	-	-	40,643	376	-
N.E. Minnesota Economic Protection Loans	-	-	-	2	-	586
Financing Leases Receivable	5,840	16,244	2,165			
Other						
Loans and Notes Receivable	$20,104	$46,863	$22,626	$1,547,033	$376	$9,749

5. FIXED ASSETS

A summary of changes in general fixed assets follows (in thousands):

	Balances July 1, 1986	Additions	Deductions/ Net Transfers	Adjustments	Balances June 30, 1987
Land	$ 172,858	$ 4,178	$ 57	$ -	$ 176,979
Buildings	679,323	490	(22,727)	4,759	707,299
Equipment	286,362	33,277	10,545	(67)	309,027
Construction in Progress	93,283	36,265	24,506	(439)	104,603
Total	$1,231,826	$74,210	$ 12,381	$4,253	$1,297,908

Deductions and net transfers of $22,727,000 in building costs includes the following: construction in progress of $24,506,000 completed in fiscal year 1987 and therefore transferred to buildings and fiscal year 1987 deductions of $1,779,000. Adjustments represent corrections to prior year balances. Tax forfeited land is not included in land inventory because the state does not take permanent title; when the land is sold, proceeds are distributed to local jurisdictions.

General fixed assets purchased with resources provided by outstanding capital lease agreements at June 30, 1987, consisted of equipment costing $3,665,491.

In addition to the capital outlay expenditures of $68,376,000 incurred during fiscal year 1987 and included in the general fixed assets account group, donations valued at $5,834,000 were received. Additionally, capital outlays totaling $367,778,000 were made by governmental funds for infrastructure fixed assets which are not included in general fixed assets.

Scheduled below are the authorizations and commitments (in thousands) for the largest construction-in-progress projects as of June 30, 1987. Unexpended commitments are reserved in the fund balances for either encumbrances or long-term commitments.

Project	Authorization (Year-Chapter)	Project Authorization	Expended Through June 30, 1987	Unexpended Commitment June 30, 1987	Available Authorization
State Office Building	(1983 - 344)	$20,044	$19,726	$ 31	$287
Correctional Facility-Shakopee	(1983 - 344)	14,850	14,412	201	237
Winona State University Somsen Hall	(1984 - 597)	6,347	4,075	1,870	402
Minneapolis Community College Phase IV	(1984 - 597)	6,206	6,139	65	2
State Historical Center	(1985 SS015)	5,796	4,803	168	825
Mankato State University Classroom	(1984 - 597)	4,903	3,375	750	778
Minneapolis Community College Arts Bldg.	(1984 - 597)	4,396	294	4,041	61
Brainerd Service Center	(1984 - 597)	3,582	3,483	95	4
St. Cloud State University Gray Campus School	(1984 - 597)	3,552	3,547	5	-

Proprietary and fiduciary fund type fixed assets consisted of the following as of June 30, 1987 (in thousands):

	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Combined Totals
Land	$ 1,221	$ -	$15,450	$ 16,671
Buildings	107,033	-	-	107,033
Land and Building Improvements	12,740	777	-	13,517
Equipment	15,290	30,969	1,829	48,088
Total	$136,284	$31,746	$17,279	$185,309
Less Accumulated Depreciation	60,806	18,729	1,243	80,778
Net Total	$ 75,478	$13,017	$16,036	$104,531

Proprietary fund type fixed assets include equipment totaling $2,886,275 purchased under capital lease agreements (see Note 9). Accumulated amortization for these capital lease fixed assets was $1,183,814; the fiscal year 1987 amortization was $602,416.

Land in the Permanent School Fund (a nonexpendable trust fund) totaling 2,516,774 acres was donated by the federal government and is valued at the estimated fair market value at the time of donation.

6. RESTRICTED ASSETS AND LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Mandatory asset segregations are presented in various enterprise funds as restricted assets. Such segregations are required by bond covenants and other external restrictions. Current liabilities to be paid from these assets are classified as payable from restricted assets. Additional related current liabilities will be paid from unrestricted current assets. The excess of restricted assets over liabilities payable from restricted assets will be used first for long-term bonds payable. The remainder, if any, is added to a reservation of retained earnings or fund balances. Details of these restricted assets and related liabilities follow.

Restricted Assets and Related Liabilities

Restricted Assets:	
Cash	$ 1,730,089
Investments	392,780,185
Accrued Investment Income	478,435
Loans Receivable	290,126
Deposits with Debt Service Fund	1,616,756
Total Restricted Assets	396,895,591
Liabilities Payable from Restricted Assets:	
Current:	
Accounts Payable	$ 2,544,311
Revenue Bonds Payable	90,740,000
Revenue Bonds Interest Payable	70,344,285
General Obligation Bonds Payable	600,000
General Obligation Bonds Interest Payable	233,837
Other	232,246
Total Current Liabilities	$164,694,679
Revenue Bonds Payable (Noncurrent)	$216,693,696
Total Liabilities Payable from Restricted Assets	$381,388,375
Restricted Fund Equities:	
Reserved for Debt Requirement	$ 15,507,216
Total Liabilities Payable from Restricted Assets and Reserved Fund Equities	$396,895,591

7. DEFERRED COSTS

The composition of the deferred costs is scheduled below (in thousands):

	Enterprise Fund Housing Finance Agency Program	Other	Total
Bond Issuance	$27,347	$ 937	$28,284
Debt Extinguishment	988	-	988
Prepaid Expenses	1,690	6,646	8,336
Total	$30,025	$7,583	$37,608

8. GENERAL LONG-TERM OBLIGATIONS

A summary of general long-term obligations at June 30, 1987 and the changes during fiscal year 1987 is as follows (in thousands):

	July 1, 1986 Balances	Increases	Decreases	June 30, 1987 Balances
Liabilities For:				
General Obligation Bonds	$1,202,536	$244,613	$309,589	$1,137,560
Loans Payable	3,048	7,245	394	9,899
Capital Leases	2,283	89	737	1,635
Claims and Judgments	20,162	1,372	2,905	18,629
Grants and Subsidies	214,416	286,766	214,416	286,766
Compensated Absences	86,281	8,286	-	94,567
Pension Liabilities	4,162	419	-	4,581
Totals	$1,532,888	$548,790	$528,041	$1,553,637

Included in general obligation bonds payable at June 30, 1987 is $203,890 of revenue bonds payable for general fixed assets purchased through the master lease program (see Note 11). The $7,245,000 increase in loans payable is for loans from local governments for highway construction. Such loans provide for construction on state highways, in these local jurisdictions, in advance of the state's plan for such construction. A portion of the repayment will be from federal grant proceeds.

The resources to repay the various general long-term obligations have been or will be provided from the fund types as shown on the following schedule (in thousands).

Obligations For:	General Fund	Special Revenue Funds	Total
General Obligation Bonds	$1,023,300	$114,260	$1,137,560
Loans	-	9,899	9,899
Capital Leases	1,422	213	1,635
Claims and Judgments	18,629	-	18,629
Grants and Subsidies	286,766	-	286,766
Compensated Absences	52,049	42,518	94,567
Pension Liabilities	4,581	-	4,581
Totals	$1,386,747	$166,890	$1,553,637

Principal and interest payment schedules are provided below (in thousands) for general obligation bonds, loans and capital leases. The liability for grants and subsidies will be liquidated in October, 1987, or shortly thereafter. There are no set payment schedules for claims and judgments, compensated absences, or pension liabilities.

Fiscal Year(s)	General Obligation Bonds	Loans	Capital Leases	Totals
1988	$ 161,712	$ 394	$ 914	$ 163,020
1989	151,160	394	551	152,105
1990	155,065	394	294	155,753
1991	137,213	7,639	109	144,961
1992	125,890	394	-	126,284
1993 - 1997	582,622	684	-	583,306
1998 - 2002	325,230	-	-	325,230
2003 - 2007	92,702	-	-	92,702
Total Payments	$1,731,594	$9,899	$1,868	$1,743,361
Interest	594,034	-	233	594,267
Total Principal	$1,137,560	$9,899	$1,635	$1,149,094

Minnesota Statutes, Section 16A.65 provides for an annual appropriation for transfer to the Debt Service Fund. The amount of the appropriation is to be such that, when combined with the balance on hand in the Debt Service Fund on November 1 of each year for state bonds issued by January 1, 1985 and on December 1 of each year for state bonds issued after January 1, 1985, it will be sufficient to pay all general obligation bond principal and interest due and to become due through July 1 in the second ensuing year. If the amount appropriated is insufficient, when combined with the balance on hand in the Debt Service Fund, the State Constitution requires the State Auditor to levy a statewide property tax to cover the deficiency. No such property tax has been levied since 1969 when the law was enacted requiring the appropriation.

In fiscal year 1987 the Department of Finance made the necessary transfers to the Debt Service Fund as follows:

General Fund	$109,296,453
Special Revenue Funds:	
Natural Resources Funds	19,815
Trunk Highway Fund	15,928,373
Federal Fund	11,226
Maximum Effort School Loan Fund	1,392,553
Nonappropriated Miscellaneous Special Revenue Fund	262,983
Capital Projects Fund (Building Fund)	3,353,423
Total Operating Transfers to Debt Service Fund	$130,264,826

The amount shown in the Debt Service Fund as reserved for debt requirements differs from that shown in the General Long-Term Obligation Account Group as Amount Available in Debt Service Fund because the Debt Service Fund amount includes both principal and interest on general obligation bonds while the General Long-Term Obligation Account Group includes only the amount for bond principal.

Two issues of general obligation bonds are recorded as liabilities of an enterprise fund, the State University Board Revenue Fund, because the earnings of the fund are pledged for repayment of bonds. This fund makes debt service transfers fulfilling the legal requirements for general obligation debt service. Debt service transfers and the earnings on them are reported as restricted assets (see Note 6) in the enterprise fund and as funds held in trust in the Debt Service Fund. The General Fund remains secondarily liable for these bonds.

During fiscal year 1987, $8,000,000 in general obligation Family Farm Security Loan Bonds with an average interest rate of 7.25 percent were sold and $81,665,000 in general obligation bond principal was repaid. In addition, the state sold $236,500,000 of General Obligation Refunding Bonds with an average interest rate of 6.87 percent for the purpose of refunding $227,800,000 of general obligation bonds in advance of maturity. The entire proceeds of $234,544,311 (net of $1,368,136 in accrued interest, underwriting fees and issuance costs) plus an additional $19,155,563 have been placed in special escrow accounts and invested in government securities. These investments have been certified to be sufficient to pay all principal and interest on the bonds when due. Accordingly, the original refunded bonds have been eliminated, and the new advance refunding bonds added to the General Long-Term Obligation Account Group. The state

remains contingently liable to pay the refunded bonds. The balance outstanding for all the extinguished debt at June 30, 1987 was $354,650,000.

This most recent refunding transaction will save the state of Minnesota aggregate debt service payments of $18 million and will result in an economic gain or present value savings of $10.6 million over the life of the refunded bonds.

A schedule of general obligation bonds authorized, issued, unissued and outstanding at June 30, 1987 is provided as follows (in thousands):

Purpose	Total Amount Authorized	Total Amount Issued	Unissued	Amount Outstanding	Issue Dates	Interest Rates Range - %
State Building	$1,799,580	$1,233,499	$566,081	$ 415,786	11/67-10/85	3.75-8.66
State Transportation	206,435	186,600	19,835	72,697	5/77-10/85	4.69-9.31
Waste Management	30,400	10,300	20,100	4,607	8/83-10/85	7.56-8.66
Water Pollution Control	344,847	262,200	82,647	62,327	9/72-10/85	4.58-8.66
Maximum Effort School Loan	53,200	48,225	4,975	22,776	9/69-8/86	5.86-8.40
Municipal Aid	4,330	-	4,330	-		
Reinvest In Minnesota	35,000	-	35,000	-		
Rural Finance Administration	50,000	-	50,000	-		
Family Farm Security	20,000	8,000	12,000	8,000	7/86-10/86	7.10-7.40
Natural Resources	20,000	20,000	-	10,000	7/76	5.10
Parks and Recreation	61,500	61,500	-	29,700	1/78	4.72
Zoological Garden	23,375	23,375	-	13,300	8/73-5/77	4.99-5.70
Vietnam Veterans Bonus	60,000	60,000	-	21,000	8/73-10/73	4.48-4.98
Refunding Bonds	-	-	-	363,711	2/85-8/86	6.99-8.41
Exchange Bonds	-	-	-	6,289	2/85	.05
School Energy Building	10,000	10,000	-	15,700	7/84-10/85	7.56-9.31
Game and Fish Building	588	588	-	508	8/83-8/86	7.96-8.66
Trunk Highway	214,000	214,000	-	90,955	8/67-8/86	3.75-9.31
Master Lease	31,940	31,940	-	204	9/85	5.50-7.75
Totals	$2,965,195	$2,170,227	$794,968	$1,137,560		

Leases

Capital leases payable are for those leases meeting the criteria in NCGA Statement 5, Accounting and Financial Reporting Principles for Lease Agreements of State and Local Governments. While the state has entered into numerous operating lease agreements, annual payments for operating leases for governmental funds are not significant.

Claims and Judgments Payable

Claims and Judgments Payable at June 30, 1987, consists of taconite occupation taxes overpaid from 1971 through 1982 by several mining companies. The refunds owed to the companies are estimated to be $18,628,675 at June 30, 1987, including interest on the unpaid balance. The refunds plus interest thereon are currently being repaid through credits to sales, occupation and railroad gross earnings owed by the mining companies involved, and cash refunds. During fiscal year 1987 interest at 6 percent on the amounts owed increased this obligation by $1,371,520. Credits to sales, railroad gross earnings and occupation taxes totaling $2,681,644 decreased the liability during 1987; the remainder of the decrease was for settlement of a court judgement.

Grants and Subsidies Payable

Various grant and subsidy payments are based on data for one fiscal year but are paid from resources of the subsequent year. Where the payment is based on services or actions completed by the recipient as of June 30, 1987 we have determined that a long-term liability exists. Liabilities totaling $286,766,425 for such grants and subsidies are recognized at June 30, 1987. This amount includes $278,321,958 in final payments for school aids for fiscal year 1987, which is payable in October, 1987. The remainder is for tuition reciprocity owed to surrounding states for the school year ended June 30, 1987 and for reimbursements to counties for property taxes lost as the state took over certain previously taxable property.

Compensated Absences

The liability for compensated absences for governmental funds totaling $94,566,571 is primarily for vacation leave and for vested sick leave which is payable as severance pay under specific conditions. Both amounts are paid only at the time of termination from state employment. This obligation will be liquidated using future resources at unspecified times.

Pension Liabilities

The pension liabilities of $4,581,000 represent the fiscal year 1987 funding deficit for the pension trust funds calculated according to the Accounting Principles Board Opinion 8 (see Note 20).

9. LEASE AGREEMENTS

Capital Leases:

Proprietary funds have entered into several capital lease agreements to purchase equipment as described below.

Fiscal Year	Description	Terms	Original Cost
	Computer Services Fund (an internal service fund)		
1986	Central Processor	48 months	$2,769,838
	Plant Management Fund (an internal service fund)		
1986	Jeep	48 months	5,444
	Zoological Garden (an enterprise fund)		
1987	Computer Hardware and Software	60 months	57,978
1987	Copier	36 months	10,133
	Enterprise Activities Fund		
1985	Vans	48 months	21,994
1986	Vans	48 months	20,888
	Total Proprietary Fund Fixed Assets Purchased Through Capital Leases		$2,886,275

The equipment purchased by capital leases and included with the general fixed assets consists of numerous small items. The terms of each agreement provide options to purchase the equipment at any time during the lease period. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee.

Operating Leases:

The Computer Services Fund (an internal service fund) has entered into several operating leases, part of which are cancellable and the remainder noncancellable. The total of the minimum rental payments for fiscal year 1988 for noncancellable leases is $274,704.

The following is a schedule of the future minimum lease payments for the capitalized leases and noncancellable operating leases together with the total present value of the net minimum lease payments as of June 30, 1987 for proprietary funds:

	Capitalized Leases				Operating Leases
	Internal Service Funds		Enterprise Funds		Internal Service Fund
Fiscal Year(s)	Computer Services	Plant Management	Zoological Gardens	Enterprise Activities	Computer Services
1988	$1,022,638	$1,595	$21,193	$12,679	$274,704
1989	1,022,638	1,595	20,256	12,679	-
1990	-	132	17,953	3,569	-
1991	-	-	15,228	-	-
1992	-	-	13,777	-	-
Total Payments	$2,045,276	$3,322	$88,407	$28,927	$274,704
Interest	348,800	271	28,070	2,255	
Present Value of Minimum Lease Payment	$1,696,476	$3,051	$60,337	$26,672	

10. ECONOMIC DEVELOPMENT REVENUE BONDS OF THE IRRRB

The Iron Range Resource and Rehabilitation Board (IRRRB) is authorized by Minnesota statutes to issue bonds and other obligations to finance projects or programs within certain tax relief areas. As of June 30, 1987, the IRRRB had issued Economic Development Revenue Bonds totaling $8,565,000. They are payable solely from revenues of the respective enterprises and do not constitute an indebtedness of IRRRB, are not general obligations of the state of Minnesota and are not payable from any taxing source. The liability for these bonds is not included in this report.

11. LONG-TERM OBLIGATIONS - PROPRIETARY FUNDS

Revenue Bonds

The agencies listed below have the authority to issue, and have issued, bonds which are not general obligations of the state but are payable solely from rentals, revenues and other income, charges and monies as were pledged for repayment. Premiums and discounts on revenue bonds are amortized using the interest method over the life of the bonds to which they relate.

The Minnesota Housing Finance Agency (MHFA) is authorized by Minnesota Statutes Section 462A.08-.14 to issue its bonds and notes for the purpose of providing funds for rehabilitation loans, construction loans and mortgage loans to sponsors of residential housing for families of low and moderate income, or refunding bonds. The amount of such bonds outstanding at any time shall not exceed $1,990,000,000.

The Minnesota Higher Education Facilities Authority (MHEFA) is authorized by Minnesota Statutes Sections 136A.32-.34 to issue revenue bonds to finance the acquisition, construction and remodeling of college buildings and structures to be used for private nonsectarian educational purposes, and to refinance facilities of this type. The amount of such bonds outstanding at any time may not exceed $150,000,000. Each issue is payable solely from and secured by a first lien on the revenues of the project financed, reserve funds and the guarantee of the institution for which the project is financed.

The Minnesota Higher Education Coordinating Board (MHECB) is authorized by Minnesota Statutes Sections 136A.171-.175 to issue revenue bonds and notes to finance guaranteed loans for students attending eligible post-secondary educational institutions. The amount of such bonds outstanding at any one time, not including refunded bonds or otherwise defeased or discharged bonds, may not exceed $550,000,000.

The Minnesota Energy and Economic Development Authority (MEEDA) was authorized by Minnesota Statutes Sections 116M.07-.08,.12 to issue revenue bonds and notes for various energy and economic development purposes. The amount of such bonds outstanding at any one time may not exceed $210,000,000, except on Energy Development Bonds which have no limit. The 1987 Legislature abolished the Authority effective July 1, 1987 (see Note 28).

The Minnesota State University Board (MSUB) is authorized by Minnesota Statutes Section 136.41 to issue revenue bonds in the principal amount of $52,800,000 to finance the acquisition, construction and remodeling of college buildings for residence hall, student union and food service purposes. All of such bonds have been issued and are payable solely from and secured by an irrevocable pledge of revenues to be derived from the operation of the financed buildings and from student fees.

Certificates of Participation - Master Lease Program

On June 30, 1987, there were $14,490,000 of master lease certificates of participation payable from various internal service funds and the General Fund. Under the master lease program, certificate proceeds are used to purchase equipment resulting in lower financing costs. These certificates of participation are not a general or moral obligation of the state but are payable from lease payments. To avoid overstating the state's liability for the master lease program, the liability for these certificates is recorded as a liability of the fund purchasing the equipment through the master lease program with the remaining liability recorded in the Master Lease Fund, an internal service fund. At June 30, 1987, the liability for these certificates is reported in the internal service funds and in the General Long-Term Obligation Account Group (included in general obligation bonds payable for equipment purchased by the General Fund) as follows:

Master Lease Fund	$ 6,244,885
For equipment purchased:	
Internal service funds	8,041,225
General Long-Term Obligation Account Group	203,890
Total Certificates of Participation	$14,490,000

In addition, general obligation bonds have been issued for the Minnesota State University Board Revenue Fund (an enterprise fund). The liability for these bonds is recorded within the fund. The earnings of the fund are pledged for repayment of the general obligation bonds and any revenue bonds sold for the same purpose. At June 30, 1987 the total of these general obligation bonds outstanding was $13,018,703.

Principal and interest repayment schedules for proprietary fund bonds and certificates of participation outstanding are provided below (in thousands). Portions of the bonds payable are reported as Payable From Restricted Assets on the Combined Balance Sheet - All Fund Types and Account Groups.

	Revenue Bonds					Certificates of Participation	General Obligation Bonds
Fiscal Year(s) Ending	MHFA	MHEFA	MHECB	MEEDA	MSUB	Internal Service Funds	MSUB
1988	$ 196,541	$ 21,319	$ 40,214	$ 10,369	$ 2,336	$ 7,448	$ 1,291
1989	166,396	11,685	188,690	19,215	2,311	4,070	1,278
1990	162,222	11,919	31,499	21,121	2,295	2,497	3,609
1991	157,414	11,540	28,805	21,117	2,266	1,547	4,768
1992	147,493	13,717	19,290	21,121	2,258	514	441
1993 - 1997	707,106	35,076	32,203	52,987	10,867	-	4,518
1998 - 2002	605,596	27,644	36,678	11,935	12,940	-	-
2003 - 2007	572,049	20,287	-	9,351	5,587	-	-
2008 - 2012	543,052	8,018	-	-	-	-	-
2013 - 2017	381,734	3,759	-	-	-	-	-
2018 - 2022	88,295	-	-	-	-	-	-
2023 - 2027	-	-	-	-	-	-	-
	$3,727,898	$164,964	$377,379	$167,216	$40,860	$16,076	$15,905
Unamortized (Discount) Premium	-	(1,078)	(855)	-	(163)	-	4
Interest	(2,191,282)	(63,604)	(62,279)	(56,006)	(12,918)	(1,790)	(2,890)
Bond Principal	$1,536,616	$100,282	$314,245	$111,210	$27,779	$14,286	$13,019

12. LONG-TERM COMMITMENTS

Long-term commitments consist of grant agreements, construction and other contracts. The following amounts were outstanding as of June 30, 1987:

Special Revenue Funds:	
Trunk Highway Fund	$ 39,051,149
Environmental Fund	23,299,356
Iron Range Resources and Rehabilitation Fund	96,975
Capital Projects Funds:	
General Project Fund	11,530,463
Transportation Fund	2,362,516
Building Fund	96,501,645
Total	$172,842,104

These commitments will be partially funded by current reserves for long-term commitments with the remaining resources provided by future bond proceeds, mining tax revenues and federal grants.

13. CONTINGENT LIABILITIES - LITIGATION

Payment of tort claims against the State is made from funds appropriated by the Minnesota Legislature for that purpose. For the fiscal year ending June 30, 1986, the appropriation was $1,068,200 and payments were $517,996. The appropriation for the fiscal year ending June 30, 1987 was $1,175,203 and payments were $645,483. The appropriation for the fiscal year ending June 30, 1988 is $918,500. The maximum limits of liability for tort claims are $200,000 for any individual claim and $600,000 for any number of claims arising out of a single occurrence.

Lawsuits based on non-tort theories furnish another basis for potential liability. The following cases in which the State, its officers or employees, are defendants have been noted because an adverse decision could result in expenditures of State moneys in excess of current levels.

a. Tax refund actions based on Memphis Bank v. Garner, 103 S. Ct. 692 (1983) have been filed by most Minnesota banks in district courts throughout the state. In Memphis Bank, the Court held unconstitutional a Tennessee tax law which included interest on federal obligations in the computation of net income, which is the measure of the tax, but exempted interest on all obligations of state and political subdivisions. These plaintiff taxpayers contend that the Minnesota bank excise tax is likewise unconstitutional because Minnesota excludes interest on certain obligations of the State and its political subdivisions from the computation of the tax while including interest on federal obligations. In May, 1987 the Ramsey County District Court, in the first phase of a bifurcated liability/damages trial, found in favor of plaintiffs. The court held the bank excise tax unconstitutional on the ground that it discriminated against U.S. obligations and on the further ground that the tax is an income tax rather than a franchise tax. The taxes and interest in suit are estimated to be in excess of $140 million for the tax years at issue, 1979-1983. The ruling of the court that the tax is an income tax raises a possibility of additional refund claims for bank excise and corporate franchise taxes for years subsequent to 1983. The total amount in issue in the years 1979 to the present could be in excess of $300 million. An appeal will be filed after completion of the damages phase of the trial. Any liability resulting from a final decision against the State may impact the general fund.

b. At any one time, there are hundreds of Department of Transportation eminent domain actions being litigated in district courts throughout the State. There is a continuous flow of such cases, with the actual number depending on many factors such as the number of parcels of land that can be acquired by direct purchase, the construction needs of the Department and revenues available for highway projects. In the aggregate, the potential cost to the State for property which has been or will be acquired exceeds $5 million. Liability arising out of decisions unfavorable to the State may impact the trunk highway fund.

c. The trunk highway fund may also be impacted by the case of Fitger Brewer Company v. State of Minnesota, in which a verdict was rendered against the State on November 21, 1986. On May 22, 1987, following post-trial motions, the St. Louis County District Court entered judgment in favor of the plaintiff for $5,422,241 plus plaintiff's costs and attorney's fees in the amount of $191,236.98.

The case involves the issue of plaintiff land owner's alleged right to recover damages from the State of Minnesota for diminution in the value of the plaintiff's property. Plaintiff claims to have been damaged by the actions of the Department of Transportation when it considered, but rejected, the acquisition of the plaintiff's property for highway construction purposes.

The matter was argued before the Court of Appeals in September 1987. A decision was received in favor of the State of Minnesota on December 4, 1987. No appeal has been filed to date, however it is likely that the decision will be appealed to the Minnesota Supreme court.

The State funds impacted by this judgment would come from the Minnesota Trunk Highway Fund. If the decision of the Minnesota Court of Appeals is reversed, it is also possible that the State would seek financial assistance in the payment of this verdict from the United States Department of Transportation through its federal highway administration.

d. Minnesota Mining and Manufacturing Co. v. Commissioner of Revenue, Ramsey County District Court. Plaintiffs in this case, which was filed in April, 1986, are the 3M Company and several of its subsidiaries. Plaintiffs claim Minnesota franchise tax refunds for the years 1971-81, asserting that they should be allowed to compute their taxes using an apportionment formula different from that employed by them in their returns as originally filed. The amount sought is believed to exceed $10 million. Any liability arising out of a decision against the State may impact the general fund.

e. Manypenny, et al. v. United States, State of Minnesota, et al. (United States District Court, District of Minnesota, 4th Division). This litigation involves land claims on the White Earth Indian Reservation. Plaintiffs have brought an action to regain ownership of several hundred thousand acres of land on the Reservation. Plaintiffs are challenging transfers of land involving tax forfeitures and probate distributions and are also making a host of minor claims. Plaintiffs sought certification as a class claiming damages in excess of $100,000,000. Certification as a class action was denied. No appeal has been filed to date, but the time for appeal has not yet expired. Any liability arising out of a decision against the State may impact the general fund.

f. M.A. Mortenson Company v. State of Minnesota Claimant in this case was the general contractor on a major state building renovation. Claimant alleges that it was financially damaged and that the delay of its work and that of its subcontractors was caused by the State of Minnesota and the State's consultant architect. It claims that it had to engage in expensive acceleration of its work to cure effects of the delay. This is an arbitration matter. Arbitrators have been selected, but discovery is not complete so the expected date of decision is unknown. The amount sought is $5,414,120.00. Any liability arising out of this decision against the State may impact the general fund.

14. CONTINGENT LIABILITIES - OTHER

Municipal Debt Service

Under Minnesota Statutes Section 475A.03, Municipal Debt Service Aid Law, the state is contingently liable as guarantor for outstanding bond principal and scheduled interest payments, which on June 30, 1987 totaled $6,465,100. Statutes provide for defaults to be covered first by guarantee fees accumulated in the Miscellaneous Agency Fund (a fiduciary fund) until depleted, then funded from the General Fund, with subsequent reimbursement from the sale of state general obligation bonds.

Family Farm Security Loans

Under Minnesota Statutes Sections 41.52 and 41.56 of the Family Farm Security Loan Program, the state is contingently liable for 90% of the balance of the outstanding loans and 100% of certain restructured loans. As of June 30, 1987 the amount of outstanding loans was $40,017,021. The amount of the state's guarantee was approximately 90% of the sum of the outstanding loans. All loans are secured by mortgages on real property. In the event of default, proceeds from the sale of foreclosed property are first applied to the unpaid balance, any remaining debt is then charged to a dedicated portion of the Nonappropriated Miscellaneous Special Revenue Fund (a special revenue fund). Minnesota Statutes Section 41.62 authorizes up to $20,000,000 of general obligation debt as additional resources for financing guarantee payments of this program (see Note 28). On June 30, 1987 the state owned 12,265 acres of repossessed farmland reported as inventory of land for resale in the Nonappropriated Miscellaneous Special Revenue Fund. An additional 39 loans in the amount of $6,417,304 were in default at June 30, 1987.

Pension Trust Funds

In addition to the pension trust funds included in the reporting entity (see Note 20), there are several other public employee pension funds for whose unfunded liability the state may be contingently liable. These are pension trust funds where the state is funding a portion of the unfunded liability. The pension trust funds involved, the year end for which the most current data is available and the unfunded liabilities are provided below (in thousands):

Minneapolis Employees Retirement Fund	June 30, 1987	$228,677
Local Police and Fire Funds	December 31, 1986	549,773

Pension trust funds for which the state has custodial responsibility, but for which the state is not contingently liable, include the Public Employees Retirement Fund and the Police and Fire Fund. The unfunded liabilities and net assets available at June 30 for funding of these pension funds are provided in Note 20.

All of the above unfunded liabilities were computed using the entry age normal cost (level normal cost) method, and assuming a 5 percent interest rate and a 3.5 percent annual salary growth rate. Additional annual contributions are provided to reduce the current unfunded liabilities. It has been the intent of the legislature, in establishing contribution rates, to provide sufficient resources to retire, or fully fund, the liabilities for the Local Police and Fire Funds by June 30, 2009 and by June 30, 2017 for the Minneapolis Employees Retirement Fund.

15. RESIDUAL EQUITY TRANSFERS

Residual equity transfers-out exceed similar transfers-in by $169,200 because of differing reporting focuses for proprietary and governmental fund types. These residual equity transfers from governmental fund types are reported as part of the increase to contributed capital in the proprietary funds.

16. CONTRIBUTED CAPITAL

Contributed capital of the enterprise and internal service funds consists of resources provided from the following sources:

Source	Enterprise Funds	Internal Service Funds	Total
General Fund	$38,197,434	$6,552,413	$44,749,847
Federal Grants	1,036,095	-	1,036,095
Other	941,411	947,751	1,889,162
Total	$40,174,940	$7,500,164	$47,675,104

17. DEFICIT UNRESERVED RETAINED EARNINGS BALANCES

The following funds have deficit retained earnings balances at June 30, 1987:

Enterprise Fund:	
Enterprise Activities Fund	$ 336,530
Internal Service Funds:	
Computer Services	$1,537,971
State Printer	203,716
Central Motor Pool	267,246
Telecommunications	790,306

During fiscal year 1987 and earlier years, rates charged for services were insufficient to cover costs, resulting in deficit retained earnings. The rates for services have been, or will be reviewed and adjusted to eliminate the deficits in future years.

18. FUND BALANCES AND RETAINED EARNINGS

Reserved Fund Balances - The reserved portion of the fund balances indicates that a portion of the fund balance is not available for appropriation or is legally segregated for a specific future use.

Reserved for local governments is the equity amount in three expendable trust funds required by the State Constitution to be paid to local governments. The funds are the Municipal State-Aid Street, County State-Aid Highway and Endowment School Funds. The payments to these local governments are for street and highway projects (to municipalities and counties) and to subsidize education in the local school districts.

Reserved for Other consists of the following:

- $52,255,609 in the Nonappropriated Miscellaneous Special Revenue Fund and $136,302 in the Federal Fund (both special revenue funds) represent an allocation from the federal courts of fines for petroleum overcharges. Federal law requires these funds be used for energy conservation programs only.
- A $5,936,371 reserve in the Northeast Minnesota Economic Protection Fund (an expendable trust fund) serves as a backup guarantee for Economic Development Revenue Bonds. These bonds are not a liability of the state (see also Note 10).
- The remaining amounts are reserved for deferred costs.

Unreserved Fund Balances - The unreserved portion of the fund balances consists of designated fund balances indicating tentative managerial plans for future use of resources and undesignated fund balances indicating those unreserved financial resources available for appropriation.

Designated for Fund Purposes consists of fund balances for nonappropriated funds to be used for the following purposes:

Special Revenue Funds	
Education	$ 5,328,565
Environment & Economic Development	10,405,525
Transportation	10,158,878
Natural Resources and Miscellaneous	32,838,402
Expendable Trust Funds	
Economic Protection and Rehabilitation	122,041,284
Miscellaneous	6,402,365

Retained Earnings Reservation - Reserved per Law in the retained earnings of enterprise funds consists of the following:

- $31,113,033 in the College and University Enterprise Activities Fund's retained earnings is the federal share of federal student loan program assets.

- $122,245,000 in the Minnesota Housing Finance Agency Funds' retained earnings is the unused portions of state appropriations provided for specific programs. These programs are primarily for interest rate reduction on housing mortgages and home improvement loans.

19. DEFICIT UNDESIGNATED FUND BALANCES

Special Revenue Funds

The Special Workers Compensation Fund provides supplementary workers compensation benefits to workers whose injury or disability meets certain requirements. For the most part, payments from this fund are reimbursements to insurance companies for payments to eligible injured workers. Funding for these reimbursements comes from an assessment on insurers and self-insurers. The undesignated fund deficit, $64,169,172 at June 30, 1987, will be reduced through increases in the assessment rate and eventually eliminated.

The Highway Users Tax Distribution Fund deficit of $449,874 at June 30, 1987, was the result of accounting basis differences. Various interfund liabilities are accrued for reporting purposes, but actual transfers are made on the basis of cash available.

The Building Fund (a capital projects fund) deficit unreserved fund balance of $48,508,883 at June 30, 1987, was caused by the decision to delay the selling of bonds. Borrowing from the General Fund, as authorized in statute, provided cash to meet immediate needs of the fund. Proceeds of the July 1, 1987 bond sale were used to repay the General Fund and eliminate the deficit.

The Insurance Trust Fund (an expendable trust fund) deficit unreserved fund balance of $4,159,887 at June 30, 1987 was the result of claims, under one of the state's major health insurance plans, exceeding that anticipated. The deficit is expected to be eliminated during fiscal year 1988.

20. PENSION TRUST FUNDS

The state of Minnesota performs a fiduciary role for several pension trust funds. These funds are reported in accordance with the National Council on Governmental Accounting's Statement 1, as recognized by GASB Statement 1, and are categorized as either Defined Benefit, Defined Contribution, or Investment Trust Funds.

Defined Benefit Pension Funds

The defined benefit pension funds presented in the financial statements include various statewide public employee groups. The funds and employee groups covered are as follows:

- The Public Employees Retirement Fund (PERF) covers employees of various governmental subdivisions including counties, cities, towns, school districts and certain related organizations. The state is not responsible for the unfunded accrued liability of this fund but performs only in a fiduciary capacity.

- The Police and Fire Fund (P&FF) covers persons employed as police officers and firefighters by local governmental subdivisions. The state is not responsible for the unfunded accrued liability of this fund but performs only in a fiduciary capacity.

- The Teachers Retirement Fund (TRF) covers teachers employed by the school districts or by the state, including the state universities and community colleges. Also included are supervisors, academic administrators and librarians employed by the same organizations. The state, as an employer for some participants, is liable for a portion of any unfunded accrued liability of this fund.

- The State Employees Retirement Fund (SERF) covers those employees of the state, University of Minnesota and certain other entities not covered by other pension funds.

- The State Patrol Retirement Fund (SPRF) covers state patrol officers, crime bureau officers, and various conservation officers who perform enforcement duties.

- The Judicial Retirement Fund (JRF) covers judges of the supreme court, district courts, county courts, probate courts and various court referees.

- The Elective State Officers Retirement Fund (ESORF) covers the state's constitutional officers.

- The Legislative Retirement Fund (LRF) covers members of the state's House of Representatives and Senate.

Except for the Judicial Retirement, Elective State Officers Retirement and the Legislative Retirement Funds, all of the preceding defined benefit pension funds are funded using level contribution rates intended to be sufficient to fully fund the accrued actuarial liabilities by the year 2011 for SERF and 2009 for all other funds.

At the end of each fiscal year, actuarial valuations are prepared by an independent actuary hired by the legislature to determine whether adjustments in contribution rates are necessary. The actuarial valuations in the schedule which follows are for the most current year available, July 1, 1986 or 1987. All other data is for fiscal year 1987.

Some assumptions used in making the actuarial valuations as of July 1, 1987 changed from those used for the July 1, 1986 valuation. Vesting eligibility was reduced to five years. Also the July 1, 1987 valuation assumes that terminated vested members will choose the larger of contributions with interest or a deferred annuity. Previous valuations assumed that such members would choose deferred annuities. For the funds affected, the effects of these changes are indicated below. There were no significant changes in benefits or actuarial assumptions between June 30 or July 1 of either year.

Information regarding participation, funding, unfunded liabilities and the effects of the changes in assumptions (effects of changes provided only for funds reporting July 1, 1987 valuations) follows (dollars in thousands):

	PERF	P&FF	TRF	SERF	SPRF	JRF	ESORF	LRF
Participation:								
Active employees covered	92,497	5,385	61,282	46,939	771	238	6	201
Total number of participants	119,664	6,753	76,496	60,670	1,217	397	19	467
Annual payroll of active members	$1,546,296	$154,906	$1,537,957	$1,058,471	$ 25,132	$15,644	$ 355	$ 4,786
Contributions:								
Employee contribution rates:								
Basic (not covered by Social Security)	8.00%	8.00%	8.50%	N/A	N/A	7.55%	N/A	N/A
Coordinated	4.00%	N/A	4.50%	3.73%	8.50%	4.18%	9.00%	9.00%
Employer contribution rates:								
Basic (not covered by Social Security)	10.50%	12.00%	12.98%	N/A	N/A	N/A	N/A	N/A
Coordinated	4.25%	N/A	8.98%	3.90%	18.90%	N/A	N/A	N/A
Employer contributions	$ 74,391	$ 18,596	$ 140,533	$ 42,911	$ 4,778	N/A	N/A	N/A
Employee contributions	$ 67,945	$ 12,416	$ 72,867	$ 40,625	$ 2,164	$ 563	$ 32	$ 430
Total 1987 contributions	$ 142,336	$ 31,012	$ 213,400	$ 83,536	$ 6,942	$ 563	$ 32	$ 430
1987 APBO #8 Provision for pension costs	$ 132,208	$ 26,489	$ 212,546	$ 74,169	$ 6,316	$ 3,961	$ 124	$ 1,521
Funding surpluses (deficits)	**$ 10,128	**$ 4,523	$ 854	$ 9,367	$ 626	*$(3,398)	*$ (92)	*$(1,091)
Actuarial Assumptions:								
Rates of annual investment return:								
Pre-retirement	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Post-retirement	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Projected salary increases	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Valuation Dates, as of:	6/30/87	6/30/87	6/30/86	6/30/87	6/30/87	6/30/87	6/30/87	6/30/87
Actuarial Valuations:								
Actuarial present value of credited projected benefits:								
Vested active members	$1,280,252	$231,113	$2,389,891	$ 900,230	$ 71,937	$19,559	$ 564	$ 5,002
Vested inactive members	49,893	8,721	78,824	21,283	1,545	851	262	4,031
Vested retired members	1,320,759	132,603	1,275,542	586,695	68,457	26,595	718	11,354
Nonvested benefits	188,143	64,792	168,263	142,785	11,168	8,611	75	1,563
Totals	$2,839,047	$437,229	$3,912,520	$1,650,993	$153,107	$55,616	$1,619	$21,950
Net assets available for benefits	$2,382,503	$484,462	$3,000,863	$1,526,833	$132,309	$18,690	$ 246	$11,255
Unfunded liability	$ 456,544	$(47,233)	$ 911,657	$ 124,160	$ 20,798	$36,926	$1,373	$10,695
Ratio of net assets to actuarial present value of credited projected benefits	83.92%	110.80%	76.70%	92.48%	86.42%	33.61%	15.19%	51.28%
Effect of Actuarial Changes:								
Vesting Eligibilty:								
Actuarial Accrued Liability	$ 831	$ (2,164)	N/A	$ 5,228	$ (148)	N/A	N/A	N/A
Required Contribution	0.09%	0.16%	N/A	0.15%	0.04%	N/A	N/A	N/A
Calculation Technique:								
Actuarial Accrued Liability	$ 14,544	$ 178	N/A	$ 90,778	$ -	N/A	N/A	$ -
Required Contribution	0.07%	0.02%	N/A	0.61%	0.00%	N/A	N/A	0.00%

* Funding deficits for which the state is liable have been added to the General Long-Term Obligation Account Group.
** State is not liable for any deficits in these funds.

The Judicial Retirement and the Legislative Retirement Funds are terminally funded. At the time of retirement, members' contributions are supplemented by employer contributions from the General Fund, in an amount sufficient to provide the necessary resources for future annuity payments. The Elective State Officers Fund operates on a pay-as-you-go basis. If the fund's resources are fully depleted, employer contributions, in an amount sufficient to pay current obligations, will be made from the General Fund.

In computing the actuarial present values of credited projected benefits, the Public Employees Retirement and the Police and Fire Funds assumed mortality rates for their memberships would be statistically equivalent to the "Unisex Pension 1984 Table," set forward one year for males and back four years for females. The other funds assumed the mortality rates of their memberships would follow the "1971 Group Annuity Mortality Table" set back eight years for males.

The APBO #8 (Accounting Principles Board Opinion 8) provisions for pension costs, indicated in the preceding schedule, were computed using the entry age normal cost (entry age actuarial cost) method. The unfunded liabilities were computed from actuarial liabilities using the credited projected benefits method. They include the actuarial present value of benefits payable to current retirees or their beneficiaries, to vested former employees who are not yet eligible to receive benefits, and to current employees. The liability for current employees is the discounted amount of benefits estimated to be payable in the future as a result of employee service to date, computed by attributing a specified benefit amount (including the effects of projected salary increases) to each year of credited and expected future service.

Defined Contribution Funds

The defined contribution funds presented in the financial statements include two statewide public employee retirement funds for which the benefits to be received are limited to an annuity which can be purchased with the combined contributions of both the employee and employer. Accordingly, there is no unfunded liability for these funds; therefore there is no actuarial valuation of accrued benefit liability.

The Unclassified Employee Retirement Fund covers only those state employees who are included either by statute or policy in the "unclassified service" of the state. Participation and funding for the fiscal year ended June 30, 1987 were as follows:

- Total employees covered	2,143
- Annual payroll of covered employees	$50,902,367
- Employee contribution rate	4%
- Total employee contributions	$2,474,457
- Employer contribution rate	6%
- Total employer contributions	$3,171,180

The College Supplemental Retirement Fund covers unclassified teachers, librarians, administrators, and certain other community college and state university staff members who have been employed full-time for a minimum of two academic years. For qualified employees, participation is mandatory. A contribution rate of five percent is applied to their annual salary between $6,000 and $15,000, and their contributions are matched by the employer. Participation and contributions were as follows:

- Total employees covered	3,987
- Total employee contributions	$1,343,350
- Total employer contributions	$1,343,350

Investment Trust Funds

The investment trust funds are administered by the State Board of Investment and serve only as an investment medium for various state, as well as locally administered, retirement funds and the Deferred Compensation Fund, an agency fund.

21. DEFERRED COMPENSATION

The state offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all public employees in the state and is administered by the Minnesota State Retirement Association. Investments are managed by the State Board of Investment and two insurance companies. The plan is accounted for in the Deferred Compensation Fund, an agency fund.

Under this plan, compensation is deferred for income tax purposes in accordance with Section 457 and is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts deferred under the plan, all assets purchased with such deferrals, related income, property, or rights remain (until made available to the employee or beneficiary) solely the property and rights of the employer (the state or local unit of government), subject only to the general creditors of the employer.

In accordance with state statute, the state is not liable for any losses under the plan but does have the duty of due care that would be required of a prudent investor. The state believes that it is unlikely that it, or other employers under the plan, will use the assets to satisfy the claims of general creditors in the future.

Of the $252,500,000 in the plan at June 30, 1987, $135,878,000 was applicable to the state while the remaining $116,622,000 represents the assets of the other units of government participating in the plan. At June 30, 1987, $134,516,293 of assets and funds held in trust are managed by third party administrators.

22. PRIOR PERIOD ADJUSTMENTS

For the year ended June 30, 1987, the following prior period adjustments have resulted in fund balance or retained earnings restatements.

- For the Federal Fund, a special revenue fund, federal aid receivable was understated by $11,457,541 as was fund balance at June 30, 1986. This resulted from an error in accounting for the state's share of the oil company overcharge fine received from the federal government.

- Beginning retained earnings for the Minnesota Zoological Garden Fund, an enterprise fund, had to be restated (a decrease of $1,847,817) because an insufficient amount of fund equity was allocated to contributed capital when the fund was established in fiscal year 1986.

- Interest payable was overstated, and the fund balance understated, in the Unemployment Compensation Fund (an expendable trust fund) at June 30, 1986 by $1,986,641. The full amount of the interest accrued was not a liability because the state, as planned, repaid all loans to the federal government, thus reducing the interest charged by the federal government.

23. ACCOUNTING AND REPORTING CHANGES

Reporting changes have been made to recognize the changes required by various GASB pronouncements, to conform more closely to generally accepted accounting principles and to improve the clarity of the annual financial report.

The Deferred Compensation Fund, previously reported as a defined contribution fund (a pension trust fund), has been reclassified and is currently being reported as an agency fund. This change has been made to meet the requirements of GASB Statement 2 "Financial Reporting of Deferred Compensation Plans Adopted under the Provisions of Internal Revenue Code Section 457." As part of the implementation of Statement 2, the Deferred Compensation Fund assets managed by third party administrators are included as part of the fund assets for the first time. Assets managed by these administrators totalled $134,516,293 at June 30, 1987.

The state previously reported the resources invested in the investment trust funds (pension trust funds) by the defined benefit pension funds, defined contribution funds (both are also pension trust funds) and the Deferred Compensation Fund (an agency fund) in both the investment trust funds and in the other trust and agency funds. At July 1, 1986, the equity of these funds in the investment trust funds totalled $3,267,644,000 and at June 30, 1987, $3,928,942,448. This double counting of fiduciary fund assets and related income activity has been eliminated.

The changes discussed in the two previous paragraphs decreased the July 1, 1986 balance in the Statement of Revenues, Expenses and Changes in Retained Earnings/Funds Held in Trust-All Proprietary Fund Types and Similar Trust Funds by $3,164,137,872 to eliminate the double counting of investment trust fund assets and $103,974,000 from the reclassification of the deferred compensation fund to the agency fund category. Because agency funds report no operations, there is no offsetting increase to beginning balance for this reclassification.

In prior years the fund equity, restricted for loan principal by federal law, of the College and University Enterprise Activity Fund (an enterprise fund) was reported as contributed capital. This amount is now more appropriately being reported as a reservation of retained earnings. Correspondingly any change in this amount is reported in the Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types and Similar Trust Funds.

The Risk Management Fund, an internal service fund, was created by the 1986 Legislature as an alternative to conventional insurance for those agencies who experience, or may experience casualty claims against them. Fiscal year 1987 was the first year of operation for the fund.

24. ENTERPRISE FUNDS - SEGMENT INFORMATION

State of Minnesota agencies provide major services to the public, financed by user charges. These agencies are:

Housing Finance Agency (HFA)
Higher Education Facilities Authority (HEFA)
State University Board (SUB)
Higher Education Coordinating Board (HECB)
Minnesota Energy and Economic Development Authority (MEEDA)
College and University Enterprise Activities
Minnesota Correctional Industries
Minnesota Zoological Garden

In addition, services on a smaller scale are provided by other numerous functions (Enterprise Activities).

Significant financial data for the year ended June 30, 1987, stated in thousands of dollars, is presented as follows for the enterprise funds.

	HFA	HEFA	SUB	HECB	MEEDA	College & University Enterprise Activities	MN Correctional Industries	MN Zoological Garden	Enterprise Activities	Total
Operating Revenues.....	$ 156,480	$ 5,409	$28,760	$ 13,003	$ 3,031	$ 14,875	$ 6,645	$ 4,845	$ 5,834	$ 238,882
Depreciation and Amortization Expense...	3,261	207	3,068	583	-	61	260	1,085	63	8,588
Operating Income (Loss).	15,289	(2,247)	1,072	(12,745)	(9,005)	1,920	(3,665)	(4,745)	(91)	(14,217)
Nonoperating Revenues (Expenses).....	(4,459)	2,523	3,016	23,292	9,266	850	32	252	64	34,836
Net Operating Transfers In (Out).....	10,442	-	-	-	6,846	(759)	2,782	4,754	-	24,065
Net Income (Loss).....	21,272	276	4,088	10,547	7,107	2,011	(851)	261	(27)	44,684
Changes in Capital Contributions.....	-	-	(353)	-	-	(30,187)	2	1,729	156	(28,653)
Fixed Assets:										
Additions.....	855	4	3,004	-	-	305	390	586	27	5,171
(Deletions).....	-	-	(6)	-	-	(100)	(89)	-	(16)	(211)
Net Working Capital.....	391,279	700	21,269	238,181	107,771	16,461	7,105	2,335	597	785,698
Total Assets.....	2,022,716	104,980	80,159	456,986	157,870	40,530	9,789	30,618	1,818	2,905,466
Noncurrent Liabilities Payable from:										
Operating Revenues....	23	-	-	-	7,726	101	45	102	61	8,058
Other Sources.....	1,485,196	85,607	39,639	292,245	109,665	-	-	-	-	2,012,352
Total Fund Equity.....	297,019	2,562	34,718	138,072	37,405	39,765	9,114	29,255	973	588,883

25. STATEMENT OF CHANGES IN FINANCIAL POSITION

The Combined Statement of Changes in Financial Position - All Proprietary Fund Types and Similar Trust Funds has been prepared on a basis of cash as the total of cash and investments. For this purpose, investments include short-term marketable securities (cash equivalents), and long-term securities. Cash and investments for the enterprise funds differ from that shown on the balance sheet because it includes cash and investments classified as restricted assets on the Combined Balance Sheet - All Fund Types and Account Groups (see Note 6).

Depreciation reported on this statement exceeds that reported on the Statement of Revenues, Expenses and Changes in Retained Earnings for the State Printer (an internal service fund) because a portion of depreciation is included in the cost of goods sold.

26. BUDGETARY BASIS VS GAAP

Actual revenues, transfers-in, expenditures, encumbrances and transfers-out on the budgetary basis do not equal those on the GAAP basis in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds. This inequality results primarily from differences in the recognition of accruals, reimbursements, deferred revenue, intrafund transactions and loan transactions, and from the budgetary basis of accounting for encumbrances. On the budgetary basis, encumbrances are recognized as expenditures in the year encumbered, while on the modified accrual basis expenditures are recognized when goods or services are received regardless of the year encumbered. A reconciliation of the fund balances under the two bases for the General and special revenue funds follows.

A major difference between GAAP and budgetary fund balances for special revenue funds is an entity difference for those funds which do not require legal appropriations. A reconciliation of this entity difference is presented here (in thousands). Other entity differences and basis differences are included in the table below.

Total GAAP Basis Fund Balances - All Special Revenue Funds	$374,758
Special Revenue Funds not requiring legal appropriation	124,988
Total GAAP Fund Balances - Appropriated Special Revenue Funds	$249,770

Reconciliation of GAAP Basis Fund Balances to Budgetary Basis Fund Balances
June 30, 1987
(In Thousands)

		Special Revenue Funds						
	General	Trunk Highway	Highway User Tax Distribution	Other Transportation	Environmental	Natural Resources	Appropriated Miscellaneous	Total
Total GAAP Fund Balances	$441,584	$ 181,654	$ 739	$10,240	$ 39,310	$15,181	$2,646	$ 249,770
Less Reserved Fund Balances	341,843	105,268	1,189	6,492	26,304	5,027	940	145,220
Less Designated Fund Balances	38,016	17,571	-	347	-	108	-	18,026
Undesignated	$ 61,725	$ 58,815	$ (450)	$ 3,401	$ 13,006	$10,046	$1,706	$ 86,524
BASIS DIFFERENCES								
Revenue Accruals/Adjustments:								
Federal Aid and Grants	-	(2,469)	-	-	-	(1,010)	-	(3,479)
Taxes Receivable	(10,187)	-	(212)	-	-	-	-	(212)
Human Services Receivable	(16,277)	-	-	-	-	-	-	-
Deferred Revenue	40,261	247	-	-	-	-	-	247
License Fees	-	-	-	-	-	(2,367)	-	(2,367)
Other Receivables	(144)	(4,526)	-	-	-	-	-	(4,526)
Expenditure Accrua s/Adjustments:								
Medical Assistance	40,879	-	-	-	-	-	-	-
Police and Fire Aid	34,229	-	-	-	-	-	-	-
Invalid Encumbrances	(1,655)	(3,113)	-	(266)	(6)	-	-	(3,385)
Community Service Grants	11,437	-	-	-	-	-	-	-
Deferred Costs	132	-	-	-	-	-	-	-
Other Payables	5,259	(636)	-	1,842	-	1	-	1,207
Other Sources:								
Transfers-In	-	(14)	-	-	-	(2,214)	-	(2,228)
Transfers-Out	73	13	3,543	-	-	-	-	3,556
ENTITY DIFFERENCES								
Terminally funded pension plans	3,182	-	-	-	-	-	-	-
Other	(385)	-	-	-	-	-	-	-
Undesignated Fund Balances - Budgetary Basis	$168,529	$ 48,317	$2,881	$ 4,977	$ 13,000	$ 4,456	$1,706	$ 75,337

27. BUDGET VS ACTUAL - VARIANCES

On the Combined Schedule of Budget and Actual Revenues, Expenditures and Changes in Fund Balances - General Fund and Appropriated Special Revenue Funds - Budgetary Basis, expenditures are sometimes budgeted in one category (e.g., current expenditures) and spent in another (e.g., capital outlay) causing favorable and unfavorable offsetting variances. Appropriation carryover is not budgeted because it has no effect on the ending undesignated budgetary fund balance. It is this fund balance that indicates whether the budget is in balance.

Special Revenue Funds

Revenues deposited in special revenue funds are dedicated to those funds. Appropriations are based on estimated revenues. When revenue collections are less than the estimates, expenditures must be reduced resulting in unfavorable revenue variances and favorable expenditure variances.

28. SUBSEQUENT EVENTS

Effective July 1, 1987 the Minnesota Energy and Economic Development Authority (MEEDA) was dissolved by act of the 1987 Legislature. Equity and bonding authority of the MEEDA Fund (an enterprise fund) were transferred to other state agencies, primarily the Public Facilities Authority and the Agricultural and Economic Development Board. (See also Note 11.)

On July 21, 1987, $200,000,000 of general obligation bonds, backed by the full faith and credit of the state of Minnesota, were sold at a true interest cost of 6.42 percent. $45,000,000 of the bonds are supported by an increased sales tax on cigarettes and tobacco products and $5,000,000 are supported by a sales tax on sports and health club fees.

On August 1, 1987 the Minnesota Higher Education Facilities Authority (an enterprise fund) issued $2,550,000 in variable rate revenue bonds. The interest rate at the date of sale was 7.22 percent.

On August 28, 1987, and again on November 4, 1987, $4,000,000 (total $8 million) of general obligation family farm security loan bonds, backed by the full faith and credit of the state of Minnesota were sold at interest rates of 8.42 percent and 8.37 percent respectively. These were the third and fourth sales of an authorized $20,000,000 leaving $4,000,000 of bonds unissued.

On September 1, 1987, the Minnesota Housing Finance Agency (an enterprise fund) issued $13,000,000 in variable rate Revenue bonds for the Home Improvement Program and 50,450,000 is Variable Rate Revenue Bonds for the Single Family Program. The interest rates at the date of sale were 8.1 percent and 6.0 percent respectively.

On October 1, 1987, $10,710,000 of certificates of participation were issued by the state of Minnesota. Pursuant to an equipment lease purchase agreement with the Ma-Go Leasing Corporation, the proceeds of this issue will be used during the 1988-89 biennium to acquire new items of equipment. These certificates of participation are not a general or moral obligation of the state but are payable from lease payments which are dependent upon sufficient legislative appropriations.

On October 29, 1987, $2,500,000 of general obligation rural finance authority program bonds, backed by the full faith and credit of the state of Minnesota were sold at an interest rate of 8.90 percent. This was the first of a series of an authorized $10,000,000.

On November 1, 1987 the Minnesota Higher Education Facilities Authority (an enterprise fund) issued $1,300,000 in mortgage revenue bonds. The interest rate at the date of sale was 8.97 percent.

As required by the constitution and statute, transfers from the funds presented below were made on November 1, and December 1, 1987 to the separately invested Debt Service Fund to cover principal and interest maturing through July 1, 1989.

General	$134,408,569
Trunk Highway	10,932,623
Game and Fish	37,826
Maximum Effort School Loan	1,666,923
Building	4,048,796
Iron Range Resources and Rehabilitation	44,800
Nonappropriated Miscellaneous Special Revenue	63,788
Total Transfers to Debt Service	$151,203,325

The Maximum Effort School Loan Fund (a special revenue fund) did not have a sufficient balance in its loan repayment account to make the total required debt service transfer on November 1. The Laws of 1987, Chapter 398, Article 6, appropriated funds from the General Fund for this purpose, and $1,406,954 was provided and is included in the General Fund transfers above.

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Combining Financial Statements

SPECIAL REVENUE FUNDS

Special revenue funds account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specific purposes. A description of individual funds within this fund type follows.

The **Trunk Highway Fund** is supported by revenues from the Highway User Tax Distribution Fund and federal grants to provide planning, design, construction and maintenance of the state trunk highway system.

The **Highway User Tax Distribution Fund** receives revenue from taxes on motor vehicles and motor fuels for transfer to various transportation related funds.

The **Other Transportation Funds** include two smaller transportation related funds.

State Airports Fund uses revenue from aviation related taxes and fees to provide technical and financial assistance to municipal airports and to promote aviation safety, planning and regulation.

Transit Assistance Fund accounts for assistance provided to support and improve mass transportation.

The **Federal Fund** receives and disburses federal government grants and reimbursements. The fund is administered in accordance with grant agreements between the state and federal agencies.

The **Environmental Fund** accounts for activities that monitor and control environmental problems using taxes and fees from activities and industries contributing to environmental problems.

The **Natural Resources Funds** include three funds created for the purposes of preserving and improving the state's natural resources.

Minnesota Resources Fund receives a portion of the cigarette and tobacco taxes which are appropriated for various natural resource development purposes.

Water Recreation Fund receives marine gasoline taxes and watercraft registration permit fees which are appropriated for various water recreation related programs.

Game and Fish Fund receives revenues from license fees and fines related to hunting and fishing which are spent for related purposes.

SPECIAL REVENUE FUNDS (continued)

The **Maximum Effort School Loan Fund** receives bond proceeds and reimbursements from school districts to help finance school district construction projects.

The **Special Workers Compensation Fund** provides reimbursement for supplemental workers compensation benefits paid.

The **Iron Range Resources and Rehabilitation Fund** receives revenues from taconite taxes which are used to promote economic development in northeastern Minnesota.

The **Appropriated Miscellaneous Special Revenue Funds** include two smaller funds.

Public Health Fund receives a portion of cigarette and tobacco taxes which are appropriated for public health related purposes.

Direct Appropriated Fund is made up of numerous smaller accounts the revenues of which are dedicated to a variety of specific purposes.

The **Nonappropriated Miscellaneous Special Revenue Fund** includes numerous smaller accounts whose revenues are dedicated to a variety of specific purposes.

STATE OF MINNESOTA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987
(IN THOUSANDS)

	TRUNK HIGHWAY	HIGHWAY USER TAX DISTRIBUTION	OTHER TRANSPORTATION	FEDERAL	ENVIRONMENTAL
ASSETS					
Cash and Investments	$173,123	$10,505	$ 9,499	$ 14,041	$39,319
Accounts Receivable	6,107	4,667	50	8,608	2,903
Due from Other Funds	4,513	-	258	584	-
Accrued Income	1,758	-	74	-	92
Federal Aid Receivable	52,941	-	-	135,923	-
Inventories	13,741	-	-	-	-
Deferred Costs	-	-	-	4,017	1,095
Loans Receivable	-	-	1,909	-	-
Advances to Other Funds	-	-	-	3	-
Total Assets	$252,183	$15,172	$11,790	$163,176	$43,409
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 69,966	$ 4,142	$ 1,550	$139,238	$ 4,099
Payable to Other Funds	317	10,291	-	2,253	-
Payable to Other Governmental Units	-	-	-	7,776	-
Deferred Revenue	246	-	-	9,773	-
Advances from Other Funds	-	-	-	4,000	-
Total Liabilities	$ 70,529	$14,433	$ 1,550	$163,040	$ 4,099
Fund Balances:					
Reserved for Encumbrances	$ 52,476	$ 1,189	$ 4,650	$ -	$ 1,910
Reserved for Inventory	13,741	-	-	-	-
Reserved for Long-Term Receivables	-	-	1,842	-	-
Reserved for Long-Term Commitments	39,051	-	-	-	23,299
Reserved for Other	-	-	-	136	1,095
Total Reserved Fund Balances	$105,268	$ 1,189	$ 6,492	$ 136	$26,304
Unreserved Fund Balances:					
Designated for Appropriation Carryover	$ 17,571	$ -	$ 347	$ -	$ -
Designated for Fund Purposes	-	-	-	-	-
Undesignated	58,815	(450)	3,401	-	13,006
Total Unreserved Fund Balances	$ 76,386	$ (450)	$ 3,748	$ -	$13,006
Total Fund Balances	$181,654	$ 739	$10,240	$ 136	$39,310
Total Liabilities and Fund Balances	$252,183	$15,172	$11,790	$163,176	$43,409

STATE OF MINNESOTA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987
(IN THOUSANDS)

NATURAL RESOURCES	MAXIMUM EFFORT SCHOOL LOAN	SPECIAL WORKERS COMPENSATION	IRON RANGE RESOURCES AND REHABILITATION	MISCELLANEOUS SPECIAL REVENUE		COMBINED TOTALS
				APPROPRIATED	NONAPPROPRIATED	
$13,099	$ 1,969	$ 10,944	$13,757	$5,550	$109,990	$401,796
3,621	-	1,680	220	905	6,787	35,548
2,214	-	2,000	-	3,178	6,084	18,831
-	195	4	142	-	56	2,321
1,011	-	-	-	-	-	189,875
-	-	-	-	-	16,973	30,714
-	-	-	-	-	147	5,259
-	30,619	-	1,014	-	13,321	46,863
-	-	-	-	-	80	83
$19,945	$32,783	$ 14,628	$15,133	$9,633	$153,438	$731,290
$ 4,661	$ -	$ 78,604	$ 946	$3,213	$ 8,139	$314,558
103	2	-	-	3,774	1,544	18,284
-	-	-	-	-	-	7,776
-	-	-	-	-	51	10,070
-	-	-	-	-	1,844	5,844
$ 4,764	$ 2	$ 78,604	$ 946	$6,987	$ 11,578	$356,532
$ 5,027	$ -	$ 193	$ 1,564	$ 940	$ 13,885	$ 81,834
-	-	-	-	-	16,973	30,714
-	30,843	-	1,012	-	13,321	47,018
-	-	-	97	-	-	62,447
-	-	-	-	-	52,402	53,633
$ 5,027	$30,843	$ 193	$ 2,673	$ 940	$ 96,581	$275,646
$ 108	$ -	$ -	$ -	$ -	$ -	$ 18,026
-	1,938	-	11,514	-	45,279	58,731
10,046	-	(64,169)	-	1,706	-	22,355
$10,154	$ 1,938	$(64,169)	$11,514	$1,706	$ 45,279	$ 99,112
$15,181	$32,781	$(63,976)	$14,187	$2,646	$141,860	$374,758
$19,945	$32,783	$ 14,628	$15,133	$9,633	$153,438	$731,290

STATE OF MINNESOTA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	TRUNK HIGHWAY	HIGHWAY USER TAX DISTRIBUTION	OTHER TRANSPORTATION	FEDERAL	ENVIRONMENTAL
Revenues:					
Corporate Income Taxes	$ -	$ -	$ -	$ -	$ -
Motor Vehicle License Taxes	-	258,846	-	-	-
Fuel Taxes	-	358,878	2,508	-	-
Other Taxes	-	-	8,195	-	23,333
Federal Revenues	249,333	-	-	1,483,281	-
License Fees	-	-	-	-	-
Care and Hospitalization	-	-	-	-	-
Tuition and Student Fees	-	-	-	-	-
Investment Income	10,001	-	751	72	539
Other Revenues	52,309	3,579	536	10,590	5,629
Gross Revenues	$ 311,643	$ 621,303	$11,990	$1,493,943	$29,501
Less Revenue Refunds	121	22,453	393	2,836	29
Net Revenues	$ 311,522	$ 598,850	$11,597	$1,491,107	$29,472
Expenditures:					
Current:					
Protection of Persons and Property	$ 44,531	$ 9,451	$ -	$ 10,765	$ -
Transportation	235,902	272	3,217	482	1
Resource Management	-	-	-	11,828	4,973
Economic and Manpower Development	-	-	-	75,706	-
Education	21	-	-	16,714	-
Health and Social Services	576	-	-	34,792	140
General Government	927	1,393	-	2,819	186
Total Current Expenditures	$ 281,957	$ 11,116	$ 3,217	$ 153,106	$ 5,300
Capital Outlay	379,772	72	150	5,052	22
Grants and Subsidies	500	38	12,670	1,332,968	12,091
Total Expenditures	$ 662,229	$ 11,226	$16,037	$1,491,126	$17,413
Excess of Revenues Over (Under) Expenditures	$(350,707)	$ 587,624	$(4,440)	$ (19)	$12,059
Other Financing Sources (Uses):					
General Obligation Bonds	$ -	$ -	$ -	$ -	$ -
Operating Transfers-In	357,582	-	-	-	-
Operating Transfers to Debt Service	(15,928)	-	-	(11)	-
Other Operating Transfers-Out	-	(589,032)	-	(63)	(714)
Loan Proceeds	7,959	-	-	-	-
Net Other Financing Sources (Uses)	$ 349,613	$(589,032)	$ -	$ (74)	$ (714)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ (1,094)	$ (1,408)	$(4,440)	$ (93)	$11,345
Fund Balances, July 1, 1986, as Reported	$ 182,096	$ 2,147	$14,680	$ 25,760	$27,965
Prior Period Adjustments	-	-	-	11,458	-
Fund Balances, July 1, 1986, as Restated	$ 182,096	$ 2,147	$14,680	$ 37,218	$27,965
Residual Equity Transfers-In	-	-	-	-	-
Residual Equity Transfers-Out	-	-	-	(36,989)	-
Changes in Inventory	652	-	-	-	-
Fund Balances, June 30, 1987	$ 181,654	$ 739	$10,240	$ 136	$39,310

STATE OF MINNESOTA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

NATURAL RESOURCES	MAXIMUM EFFORT SCHOOL LOAN	SPECIAL WORKERS COMPENSATION	IRON RANGE RESOURCES AND REHABILITATION	MISCELLANEOUS SPECIAL REVENUE APPROPRIATED	MISCELLANEOUS SPECIAL REVENUE NONAPPROPRIATED	COMBINED TOTALS
$ -	$ -	$ -	$ -	$ 2,948	$ -	$ 2,948
-	-	-	-	-	-	258,846
-	-	-	-	-	-	361,386
9,090	-	76,652	6,580	4,545	2,635	131,030
6,825	-	-	-	2,860	17,401	1,759,700
29,041	-	-	-	7,707	9,307	46,055
-	-	-	-	4,944	-	4,944
-	-	-	-	-	4,543	4,543
429	1,425	1,004	933	-	4,007	19,161
785	-	1,299	1,485	5,218	43,564	124,994
$46,170	$ 1,425	$ 78,955	$ 8,998	$28,222	$ 81,457	$2,713,607
44	-	78	139	106	186	26,385
$46,126	$ 1,425	$ 78,877	$ 8,859	$28,116	$ 81,271	$2,687,222
$ -	$ -	$ -	$ -	$ -	$ 321	$ 65,068
-	-	-	-	-	146	240,020
37,092	-	-	-	1,926	11,257	67,076
524	-	7,124	6,536	1,305	19,111	110,306
-	-	-	-	63	8,090	24,888
106	-	-	-	16,043	14,743	66,400
412	-	2,079	-	7,373	6,646	21,835
$38,134	$ -	$ 9,203	$ 6,536	$26,710	$ 60,314	$ 595,593
3,502	-	67	1,264	402	4,924	395,227
5,157	-	86,831	5,148	1,399	21,316	1,478,118
$46,793	$ -	$ 96,101	$12,948	$28,511	$ 86,554	$2,468,938
$ (667)	$ 1,425	$(17,224)	$(4,089)	$ (395)	$ (5,283)	$ 218,284
$ -	$ -	$ -	$ -	$ -	$ 8,000	$ 8,000
4,618	-	-	1,245	4,688	24,128	392,261
(20)	(1,393)	-	-	-	(263)	(17,615)
(2,696)	-	-	-	-	(1,355)	(593,860)
-	-	-	-	-	-	7,959
$ 1,902	$(1,393)	$ -	$ 1,245	$ 4,688	$ 30,510	$ (203,255)
$ 1,235	$ 32	$(17,224)	$(2,844)	$ 4,293	$ 25,227	$ 15,029
$13,946	$32,749	$(46,752)	$17,076	$ 2,078	$ 70,778	$ 342,523
-	-	-	-	-	-	11,458
$13,946	$32,749	$(46,752)	$17,076	$ 2,078	$ 70,778	$ 353,981
-	-	-	-	49	36,937	36,986
-	-	-	(45)	(3,774)	(107)	(40,915)
-	-	-	-	-	9,025	9,677
$15,181	$32,781	$(63,976)	$14,187	$ 2,646	$141,860	$ 374,758

STATE OF MINNESOTA
COMBINING SCHEDULE OF BUDGET AND ACTUAL REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
APPROPRIATED SPECIAL REVENUE FUNDS - BUDGETARY BASIS
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	TRUNK HIGHWAY FUND			HIGHWAY USER TAX DISTRIBUTION FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:						
Corporate Income Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Motor Vehicle License Taxes	-	-	-	256,433	258,845	2,412
Fuel Taxes	-	-	-	341,966	358,815	16,849
Other Taxes	-	-	-	-	-	-
Federal Revenues	296,100	292,939	(3,161)	-	-	-
License Fees	-	-	-	-	-	-
Care and Hospitalization	-	-	-	-	-	-
Investment Income	9,000	10,008	1,008	-	-	-
Other Revenues	41,268	54,229	12,961	-	3,574	3,574
Gross Revenues	$ 346,368	$ 357,176	$10,808	$ 598,399	$ 621,234	$ 22,835
Less Revenue Refunds	150	122	28	22,500	23,145	(645)
Net Revenues	$ 346,218	$ 357,054	$10,836	$ 575,899	$ 598,089	$ 22,190
Expenditures:						
Current:						
Protection of Persons and Property	$ 48,620	$ 46,334	$ 2,286	$ 10,913	$ 8,617	$ 2,296
Transportation	234,647	235,010	(363)	270	270	-
Resource Management	-	-	-	-	-	-
Economic and Manpower Development	-	-	-	-	-	-
Education	21	16	5	-	-	-
Health and Social Services	527	577	(50)	-	-	-
General Government	620	559	61	1,443	1,394	49
Total Current Expenditures	$ 284,435	$ 282,496	$ 1,939	$ 12,626	$ 10,281	$ 2,345
Capital Outlay	403,286	397,116	6,170	21	126	(105)
Grants and Subsidies	436	500	(64)	-	-	-
Total Expenditures	$ 688,157	$ 680,112	$ 8,045	$ 12,647	$ 10,407	$ 2,240
Excess of Revenues Over (Under) Expenditures	$(341,939)	$(323,058)	$18,881	$ 563,252	$ 587,682	$ 24,430
Other Sources (Uses):						
Operating Transfers-In	$ 352,960	$ 358,371	$ 5,411	$ -	$ -	$ -
Operating Transfers to Debt Service	(16,177)	(15,967)	210	-	-	-
Other Operating Transfers-Out	-	(292)	(292)	(567,106)	(589,617)	(22,511)
Loan Proceeds	-	1,857	1,857	-	-	-
Net Other Sources (Uses)	$ 336,783	$ 343,969	$ 7,186	$(567,106)	$(589,617)	$(22,511)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ (5,156)	$ 20,911	$26,067	$ (3,854)	$ (1,935)	$ 1,919
Fund Balances, July 1, 1986	38,111	38,111	-	4,102	4,102	-
Prior Year Adjustments	3,596	6,866	3,270	-	714	714
Total Fund Balances, June 30, 1987	$ 36,551	$ 65,888	$29,337	$ 248	$ 2,881	$ 2,633
Less Appropriation Carryover	17,571	17,571	-	-	-	-
Undesignated Fund Balances, June 30, 1987	$ 18,980	$ 48,317	$29,337	$ 248	$ 2,881	$ 2,633

STATE OF MINNESOTA
COMBINING SCHEDULE OF BUDGET AND ACTUAL REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
APPROPRIATED SPECIAL REVENUE FUNDS - BUDGETARY BASIS
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

OTHER TRANSPORTATION FUNDS			ENVIRONMENTAL FUND			NATURAL RESOURCES FUNDS			MISCELLANEOUS SPECIAL REVENUE APPROPRIATED FUNDS			COMBINED TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,043	$ 2,948	$ (95)	$ 3,043	$ 2,948	$ (95)
-	-	-	-	-	-	-	-	-	-	-	-	256,433	258,845	2,412
2,500	2,508	8	-	-	-	-	-	-	-	-	-	344,466	361,323	16,857
7,300	8,195	895	25,016	27,156	2,140	8,548	9,090	542	4,257	4,545	288	45,121	48,986	3,865
-	-	-	-	-	-	7,900	7,541	(359)	2,974	2,860	(114)	306,974	303,340	(3,634)
-	-	-	-	-	-	28,650	28,630	(20)	-	7,707	7,707	28,650	36,337	7,687
-	-	-	-	-	-	-	-	-	3,891	4,944	1,053	3,891	4,944	1,053
450	752	302	465	801	336	420	429	9	-	-	-	10,335	11,990	1,655
424	579	155	603	1,806	1,203	857	875	18	13,507	5,219	(8,288)	56,659	66,282	9,623
$10,674	$12,034	$1,360	$ 26,084	$29,763	$ 3,679	$46,375	$46,565	$ 190	$27,672	$28,223	$ 551	$1,055,572	$1,094,995	$ 39,423
494	394	100	30	31	(1)	55	44	11	99	106	(7)	23,328	23,842	(514)
$10,180	$11,640	$1,460	$ 26,054	$29,732	$ 3,678	$46,320	$46,521	$ 201	$27,573	$28,117	$ 544	$1,032,244	$1,071,153	$ 38,909
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 59,533	$ 54,951	$ 4,582
3,389	3,396	(7)	869	869	-	-	-	-	-	-	-	239,175	239,545	(370)
-	-	-	8,337	5,069	3,268	37,422	37,807	(385)	2,019	1,929	90	47,778	44,805	2,973
-	-	-	-	-	-	547	547	-	1,223	1,298	(75)	1,770	1,845	(75)
-	-	-	-	-	-	-	-	-	64	64	-	85	80	5
-	-	-	140	140	-	106	106	-	16,217	16,033	184	16,990	16,856	134
-	-	-	349	186	163	512	481	31	7,721	7,474	247	10,645	10,094	551
$ 3,389	$ 3,396	$ (7)	$ 9,695	$ 6,264	$ 3,431	$38,587	$38,941	$(354)	$27,244	$26,798	$ 446	$ 375,976	$ 368,176	$ 7,800
101	94	7	121	26	95	5,206	4,301	905	290	345	(55)	409,025	402,008	7,017
13,624	12,496	1,128	33,737	23,859	9,878	5,071	5,150	(79)	1,571	1,557	14	54,439	43,562	10,877
$17,114	$15,986	$1,128	$ 43,553	$30,149	$ 13,404	$48,864	$48,392	$ 472	$29,105	$28,700	$ 405	$ 839,440	$ 813,746	$ 25,694
$(6,934)	$(4,346)	$2,588	$(17,499)	$ (417)	$ 17,082	$(2,544)	$(1,871)	$ 673	$(1,532)	$ (583)	$ 949	$ 192,804	$ 257,407	$ 64,603
$ -	$ -	$ -	$ -	$ -	$ -	$ 4,764	$ 4,786	$ 22	$ 7,613	$ 4,737	$(2,876)	$ 365,337	$ 367,894	$ (2,557)
-	-	-	-	-	-	-	-	-	-	-	-	(16,177)	(15,967)	210
-	-	-	(675)	(714)	(39)	(2,727)	(2,727)	-	(3,019)	(3,774)	(755)	(573,527)	(597,124)	(23,597)
-	-	-	-	-	-	-	-	-	-	-	-	-	1,857	1,857
$ -	$ -	$ -	$ (675)	$ (714)	$ (39)	$ 2,037	$ 2,059	$ 22	$ 4,594	$ 963	$(3,631)	$ (224,367)	$ (243,340)	$(18,973)
$(6,934)	$(4,346)	$2,588	$(18,174)	$(1,131)	$ 17,043	$ (507)	$ 188	$ 695	$ 3,062	$ 380	$(2,682)	$ (31,563)	$ 14,067	$ 45,630
9,142	9,142	-	26,042	26,042	-	4,082	4,082	-	1,233	1,233	-	82,712	82,712	-
-	528	528	-	63	63	209	294	85	40	93	53	3,845	8,558	4,713
$ 2,208	$ 5,324	$3,116	$ 7,868	$24,974	$ 17,106	$ 3,784	$ 4,564	$ 780	$ 4,335	$ 1,706	$(2,629)	$ 54,994	$ 105,337	$ 50,343
347	347	-	-	11,974	(11,974)	78	108	(30)	-	-	-	17,996	30,000	(12,004)
$ 1,861	$ 4,977	$3,116	$ 7,868	$13,000	$ 5,132	$ 3,706	$ 4,456	$ 750	$ 4,335	$ 1,706	$(2,629)	$ 36,998	$ 75,337	$ 38,339

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STATE OF MINNESOTA
OTHER TRANSPORTATION FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987
(IN THOUSANDS)

	STATE AIRPORTS	TRANSIT ASSISTANCE	COMBINED TOTALS
ASSETS			
Cash and Investments	$ 8,086	$1,413	$ 9,499
Accounts Receivable	50	-	50
Due from Other Funds	258	-	258
Accrued Investment Income	70	4	74
Loans Receivable	1,909	-	1,909
Total Assets	$10,373	$1,417	$11,790
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 1,405	$ 145	$ 1,550
Total Liabilities	$ 1,405	$ 145	$ 1,550
Fund Balances:			
Reserved for Encumbrances	$ 4,129	$ 521	$ 4,650
Reserved for Long-Term Receivables	1,842	-	1,842
Total Reserved Fund Balances	$ 5,971	$ 521	$ 6,492
Unreserved Fund Balances:			
Designated for Appropriation Carryover	$ 347	$ -	$ 347
Undesignated	2,650	751	3,401
Total Unreserved Fund Balances	$ 2,997	$ 751	$ 3,748
Total Fund Balances	$ 8,968	$1,272	$10,240
Total Liabilities and Fund Balances	$10,373	$1,417	$11,790

STATE OF MINNESOTA
OTHER TRANSPORTATION FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	STATE AIRPORTS	TRANSIT ASSISTANCE	COMBINED TOTALS
Revenues:			
Fuel Taxes	$ 2,508	$ -	$ 2,508
Air Carrier Taxes	6,205	-	6,205
Other Taxes	1,990	-	1,990
Investment Income	472	279	751
Other Revenues	536	-	536
Gross Revenues	$11,711	$ 279	$11,990
Less Revenue Refunds	393	-	393
Net Revenues	$11,318	$ 279	$11,597
Expenditures:			
Current:			
Transportation	$ 3,217	$ -	$ 3,217
Total Current Expenditures	$ 3,217	$ -	$ 3,217
Capital Outlay	150	-	150
Grants and Subsidies	6,467	6,203	12,670
Total Expenditures	$ 9,834	$ 6,203	$16,037
Excess of Revenues Over (Under) Expenditures	$ 1,484	$(5,924)	$(4,440)
Fund Balances, July 1, 1986	7,484	7,196	14,680
Fund Balances, June 30, 1987	$ 8,968	$ 1,272	$10,240

STATE OF MINNESOTA
OTHER TRANSPORTATION FUNDS
COMBINING SCHEDULE OF BUDGET AND ACTUAL REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY BASIS
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	STATE AIRPORTS			TRANSIT ASSISTANCE			COMBINED TOTALS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
enues:									
uel Taxes	$ 2,500	$ 2,508	$ 8	$ -	$ -	$ -	$ 2,500	$ 2,508	$ 8
ir Carrier Taxes	5,700	6,205	505	-	-	-	5,700	6,205	505
ther Taxes	1,600	1,990	390	-	-	-	1,600	1,990	390
nvestment Income	450	473	23	-	279	279	450	752	302
ther Revenues	424	579	155	-	-	-	424	579	155
Gross Revenues	$10,674	$11,755	$1,081	$ -	$ 279	$279	$10,674	$12,034	$1,360
Less Revenue Refunds	494	394	100	-	-	-	494	394	100
Net Revenues	$10,180	$11,361	$1,181	$ -	$ 279	$279	$10,180	$11,640	$1,460
enditures:									
urrent:									
Transportation	$ 3,389	$ 3,396	$ (7)	$ -	$ -	$ -	$ 3,389	$ 3,396	$ (7)
Total Current Expenditures	$ 3,389	$ 3,396	$ (7)	$ -	$ -	$ -	$ 3,389	$ 3,396	$ (7)
apital Outlay	101	94	7	-	-	-	101	94	7
rants and Subsidies	7,275	6,147	1,128	6,349	6,349	-	13,624	12,496	1,128
Total Expenditures	$10,765	$ 9,637	$1,128	$ 6,349	$ 6,349	$ -	$17,114	$15,986	$1,128
ess of Revenues Over (Under) penditures	$ (585)	$ 1,724	$2,309	$(6,349)	$(6,070)	$279	$(6,934)	$(4,346)	$2,588
d Balances, July 1, 1986	2,425	2,425	-	6,717	6,717	-	9,142	9,142	-
rior Year Adjustments	-	528	528	-	-	-	-	528	528
d Balances, June 30, 1987	$ 1,840	$ 4,677	$2,837	$ 368	$ 647	$279	$ 2,208	$ 5,324	$3,116
ess Appropriation Carryover	347	347	-	-	-	-	347	347	-
esignated Fund Balances, ne 30, 1987	$ 1,493	$ 4,330	$2,837	$ 368	$ 647	$279	$ 1,861	$ 4,977	$3,116

STATE OF MINNESOTA
NATURAL RESOURCES FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987
(IN THOUSANDS)

	MINNESOTA RESOURCES	WATER RECREATION	GAME AND FISH	COMBINED TOTALS
ASSETS				
Cash	$3,134	$2,651	$ 7,314	$13,099
Accounts Receivable	1,242	214	2,165	3,621
Due from Other Funds	-	2,214	-	2,214
Federal Aid Receivable	-	-	1,011	1,011
Total Assets	$4,376	$5,079	$10,490	$19,945
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 552	$ 644	$ 3,465	$ 4,661
Payable to Other Funds	-	-	103	103
Total Liabilities	$ 552	$ 644	$ 3,568	$ 4,764
Fund Balances:				
Reserved for Encumbrances	$ 898	$1,201	$ 2,928	$ 5,027
Total Reserved Fund Balances	$ 898	$1,201	$ 2,928	$ 5,027
Unreserved Fund Balances:				
Designated for Appropriation Carryover	$ -	$ -	$ 108	$ 108
Undesignated	2,926	3,234	3,886	10,046
Total Unreserved Fund Balances	$2,926	$3,234	$ 3,994	$10,154
Total Fund Balances	$3,824	$4,435	$ 6,922	$15,181
Total Liabilities and Fund Balances	$4,376	$5,079	$10,490	$19,945

STATE OF MINNESOTA
NATURAL RESOURCES FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	MINNESOTA RESOURCES	WATER RECREATION	GAME AND FISH	COMBINED TOTALS
Revenues:				
Tobacco Taxes	$ 9,090	$ -	$ -	$ 9,090
Federal Revenues	-	-	6,825	6,825
License Fees	-	2,490	26,551	29,041
Investment Income	-	-	429	429
Other Revenues	47	31	707	785
Gross Revenues	$ 9,137	$ 2,521	$34,512	$46,170
Less Revenue Refunds	-	6	38	44
Net Revenues	$ 9,137	$ 2,515	$34,474	$46,126
Expenditures:				
Current:				
Resource Management	$ 2,664	$ 4,434	$29,994	$37,092
Economic and Manpower Development	524	-	-	524
Health and Social Services	106	-	-	106
General Government	412	-	-	412
Total Current Expenditures	$ 3,706	$ 4,434	$29,994	$38,134
Capital Outlay	61	705	2,736	3,502
Grants and Subsidies	3,052	1,061	1,044	5,157
Total Expenditures	$ 6,819	$ 6,200	$33,774	$46,793
Excess of Revenues Over (Under) Expenditures	$ 2,318	$(3,685)	$ 700	$ (667)
Other Financing Sources (Uses):				
Operating Transfers-In	$ -	$ 4,555	$ 63	$ 4,618
Operating Transfers to Debt Service	-	-	(20)	(20)
Other Operating Transfers-Out	(2,696)	-	-	(2,696)
Net Other Financing Sources (Uses)	$(2,696)	$ 4,555	$ 43	$ 1,902
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ (378)	$ 870	$ 743	$ 1,235
Fund Balances, July 1, 1986	4,202	3,565	6,179	13,946
Fund Balances, June 30, 1987	$ 3,824	$ 4,435	$ 6,922	$15,181

STATE OF MINNESOTA
NATURAL RESOURCES FUNDS
COMBINING SCHEDULE OF BUDGET AND ACTUAL REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY BASIS
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	MINNESOTA RESOURCES			WATER RECREATION
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET
Revenues:				
Tobacco Taxes	$ 8,548	$ 9,090	$542	$ -
Federal Revenues	-	-	-	-
License Fees	-	-	-	2,118
Investment Income	-	-	-	-
Other Revenues	138	155	17	31
Gross Revenues	$ 8,686	$ 9,245	$559	$ 2,149
Less Revenue Refunds	-	-	-	7
Net Revenues	$ 8,686	$ 9,245	$559	$ 2,142
Expenditures:				
Current:				
Resource Management	$ 3,088	$ 3,068	$ 20	$ 4,131
Economic and Manpower Development	547	547	-	-
Health and Social Services	106	106	-	-
General Government	487	481	6	-
Total Current Expenditures	$ 4,228	$ 4,202	$ 26	$ 4,131
Capital Outlay	260	229	31	1,216
Grants and Subsidies	3,102	3,161	(59)	994
Total Expenditures	$ 7,590	$ 7,592	$ (2)	$ 6,341
Excess of Revenues Over (Under) Expenditures	$ 1,096	$ 1,653	$557	$(4,199)
Other Sources (Uses):				
Operating Transfers-In	$ 246	$ 330	$ 84	$ 4,418
Operating Transfers-Out	(2,696)	(2,696)	-	-
Net Other Sources (Uses)	$(2,450)	$(2,366)	$ 84	$ 4,418
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$(1,354)	$ (713)	$641	$ 219
Fund Balances, July 1, 1986	3,554	3,554	-	346
Prior Year Adjustments	-	84	84	30
Fund Balances, June 30, 1987	$ 2,200	$ 2,925	$725	$ 595
Less Appropriation Carryover	-	-	-	-
Undesignated Fund Balances, June 30, 1987	$ 2,200	$ 2,925	$725	$ 595

STATE OF MINNESOTA
NATURAL RESOURCES FUNDS
COMBINING SCHEDULE OF BUDGET AND ACTUAL REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGETARY BASIS
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

WATER RECREATION (Cont.)		GAME AND FISH			COMBINED TOTALS		
ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ -	$ -	$ -	$ -	$ 8,548	$ 9,090	$ 542
-	-	7,900	7,541	(359)	7,900	7,541	(359)
2,276	158	26,532	26,354	(178)	28,650	28,630	(20)
-	-	420	429	9	420	429	9
31	-	688	689	1	857	875	18
$ 2,307	$158	$35,540	$35,013	$(527)	$46,375	$46,565	$ 190
6	1	48	38	10	55	44	11
$ 2,301	$159	$35,492	$34,975	$(517)	$46,320	$46,521	$ 201
$ 4,185	$(54)	$30,203	$30,554	$(351)	$37,422	$37,807	$(385)
-	-	-	-	-	547	547	-
-	-	-	-	-	106	106	-
-	-	25	-	25	512	481	31
$ 4,185	$(54)	$30,228	$30,554	$(326)	$38,587	$38,941	$(354)
1,034	182	3,730	3,038	692	5,206	4,301	905
1,070	(76)	975	919	56	5,071	5,150	(79)
$ 6,289	$ 52	$34,933	$34,511	$ 422	$48,864	$48,392	$ 472
$(3,988)	$211	$ 559	$ 464	$ (95)	$(2,544)	$(1,871)	$ 673
$ 4,418	$ -	$ 100	$ 38	$ (62)	$ 4,764	$ 4,786	$ 22
-	-	(31)	(31)	-	(2,727)	(2,727)	-
$ 4,418	$ -	$ 69	$ 7	$ (62)	$ 2,037	$ 2,059	$ 22
$ 430	$211	$ 628	$ 471	$(157)	$ (507)	$ 188	$ 695
346	-	182	182	-	4,082	4,082	-
31	1	179	179	-	209	294	85
$ 807	$212	$ 989	$ 832	$(157)	$ 3,784	$ 4,564	$ 780
-	-	78	108	(30)	78	108	(30)
$ 807	$212	$ 911	$ 724	$(187)	$ 3,706	$ 4,456	$ 750

STATE OF MINNESOTA
APPROPRIATED MISCELLANEOUS SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987
(IN THOUSANDS)

	PUBLIC HEALTH	DIRECT APPROPRIATED	COMBINED TOTALS
ASSETS			
Cash	$2,503	$3,047	$5,550
Accounts Receivable	441	464	905
Due from Other Funds	230	2,948	3,178
Total Assets	$3,174	$6,459	$9,633
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 860	$2,353	$3,213
Payable to Other Funds	-	3,774	3,774
Total Liabilities	$ 860	$6,127	$6,987
Fund Balances:			
Reserved for Encumbrances	$ 608	$ 332	$ 940
Total Reserved Fund Balances	$ 608	$ 332	$ 940
Unreserved Fund Balances:			
Undesignated	$1,706	$ -	$1,706
Total Unreserved Fund Balances	$1,706	$ -	$1,706
Total Fund Balances	$2,314	$ 332	$2,646
Total Liabilities and Fund Balances	$3,174	$6,459	$9,633

STATE OF MINNESOTA
APPROPRIATED MISCELLANEOUS SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	PUBLIC HEALTH	DIRECT APPROPRIATED	COMBINED TOTALS
Revenues:			
Corporate Income Taxes	$ -	$ 2,948	$ 2,948
Tobacco Taxes	4,545	-	4,545
Federal Revenues	-	2,860	2,860
License Fees	-	7,707	7,707
Care and Hospitalization	-	4,944	4,944
Other Revenues	-	5,218	5,218
Gross Revenues	$4,545	$23,677	$28,222
Less Revenue Refunds	-	106	106
Net Revenues	$4,545	$23,571	$28,116
Expenditures:			
Current:			
Resource Management	$ 200	$ 1,726	$ 1,926
Economic and Manpower Development	-	1,305	1,305
Education	63	-	63
Health and Social Services	2,487	13,556	16,043
General Government	-	7,373	7,373
Total Current Expenditures	$2,750	$23,960	$26,710
Capital Outlay	39	363	402
Grants and Subsidies	1,285	114	1,399
Total Expenditures	$4,074	$24,437	$28,511
Excess of Revenues Over (Under) Expenditures	$ 471	$ (866)	$ (395)
Other Financing Sources:			
Operating Transfers-In	$ -	$ 4,688	$ 4,688
Total Other Financing Sources	$ -	$ 4,688	$ 4,688
Excess of Revenues and Other Sources Over Expenditures	$ 471	$ 3,822	$ 4,293
Fund Balances, July 1, 1986	1,794	284	2,078
Residual Equity Transfers-In	49	-	49
Residual Equity Transfers-Out	-	(3,774)	(3,774)
Fund Balances, June 30, 1987	$2,314	$ 332	$ 2,646

STATE OF MINNESOTA
APPROPRIATED MISCELLANEOUS SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF BUDGET AND ACTUAL REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY BASIS
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	PUBLIC HEALTH			DIRECT APPROPRIATED			COMBINED TOTALS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:									
Corporate Income Taxes	$ -	$ -	$ -	$ 3,043	$ 2,948	$ (95)	$ 3,043	$ 2,948	$ (95)
Tobacco Taxes	4,257	4,545	288	-	-	-	4,257	4,545	288
Federal Revenues	-	-	-	2,974	2,860	(114)	2,974	2,860	(114)
License Fees	-	-	-	-	7,707	7,707	-	7,707	7,707
Care and Hospitalizaton	-	-	-	3,891	4,944	1,053	3,891	4,944	1,053
Other Revenues	-	-	-	13,507	5,219	(8,288)	13,507	5,219	(8,288)
Gross Revenues	$4,257	$4,545	$ 288	$23,415	$23,678	$ 263	$27,672	$28,223	$ 551
Less Revenue Refunds	-	-	-	99	106	(7)	99	106	(7)
Net Revenues	$4,257	$4,545	$ 288	$23,316	$23,572	$ 256	$27,573	$28,117	$ 544
Expenditures:									
Current:									
Resource Management	$ 205	$ 202	$ 3	$ 1,814	$ 1,727	$ 87	$ 2,019	$ 1,929	$ 90
Economic and Manpower Development	-	-	-	1,223	1,298	(75)	1,223	1,298	(75)
Education	64	64	-	-	-	-	64	64	-
Health and Social Services	2,435	2,418	17	13,782	13,615	167	16,217	16,033	184
General Government	-	-	-	7,721	7,474	247	7,721	7,474	247
Total Current Expenditures	$2,704	$2,684	$ 20	$24,540	$24,114	$ 426	$27,244	$26,798	$ 446
Capital Outlay	13	20	(7)	277	325	(48)	290	345	(55)
Grants and Subsidies	1,457	1,443	14	114	114	-	1,571	1,557	14
Total Expenditures	$4,174	$4,147	$ 27	$24,931	$24,553	$ 378	$29,105	$28,700	$ 405
Excess of Revenues Over (Under) Expenditures	$ 83	$ 398	$ 315	$(1,615)	$ (981)	$ 634	$(1,532)	$ (583)	$ 949
Other Sources (Uses):									
Operating Transfers-In	$3,019	$ 49	$(2,970)	$ 4,594	$ 4,688	$ 94	$ 7,613	$ 4,737	$(2,876)
Operating Transfers-Out	-	-	-	(3,019)	(3,774)	(755)	(3,019)	(3,774)	(755)
Net Other Sources (Uses)	$3,019	$ 49	$(2,970)	$ 1,575	$ 914	$ (661)	$ 4,594	$ 963	$(3,631)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$3,102	$ 447	$(2,655)	$ (40)	$ (67)	$ (27)	$ 3,062	$ 380	$(2,682)
Fund Balances, July 1, 1986	1,233	1,233	-	-	-	-	1,233	1,233	-
Prior Year Adjustments	-	26	26	40	67	27	40	93	53
Undesignated Fund Balances, June 30, 1987	$4,335	$1,706	$(2,629)	$ -	$ -	$ -	$ 4,335	$ 1,706	$(2,629)

CAPITAL PROJECTS FUNDS

These funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and fiduciary funds). Descriptions of individual funds in this fund type follow.

The **General Project Fund** receives monies appropriated from the General Fund for maintenance, building, or capital improvement projects.

The **Transportation Fund** receives proceeds of transportation bonds, General Fund appropriations and federal grants for the construction or reconstruction of state and locally owned bridges.

The **Building Fund** receives revenue from the sale of state bonds to provide funds for the maintenance, acquisition and betterment of public lands and buildings and for grants and loans to local governments.

STATE OF MINNESOTA
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987
(IN THOUSANDS)

	GENERAL PROJECT	TRANSPORTATION	BUILDING	COMBINED TOTALS
ASSETS				
Cash	$ 4,014	$9,203	$ 1,861	$ 15,078
Accounts Receivable	4	-	-	4
Due from Other Funds	6,146	-	4	6,150
Federal Aid Receivable	-	126	-	126
Deferred Costs	-	-	713	713
Loans Receivable	115	-	22,511	22,626
Total Assets	$10,279	$9,329	$ 25,089	$ 44,697
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 1,472	$ 205	$ 19,336	$ 21,013
Payable to Other Funds	-	-	2,197	2,197
Advances from Other Funds	-	-	29,516	29,516
Total Liabilities	$ 1,472	$ 205	$ 51,049	$ 52,726
Fund Balances:				
Reserved for Long-Term Receivables	$ 115	$ -	$ 21,836	$ 21,951
Reserved for Long-Term Commitments	8,692	2,363	-	11,055
Reserved for Deferred Costs	-	-	713	713
Total Reserved Fund Balances	$ 8,807	$2,363	$ 22,549	$ 33,719
Unreserved Fund Balances:				
Designated for Appropriation Carryover	$ -	$6,761	$ -	$ 6,761
Undesignated	-	-	(48,509)	(48,509)
Total Unreserved Fund Balances	$ -	$6,761	$(48,509)	$(41,748)
Total Fund Balances	$ 8,807	$9,124	$(25,960)	$ (8,029)
Total Liabilities and Fund Balances	$10,279	$9,329	$ 25,089	$ 44,697

STATE OF MINNESOTA
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	GENERAL PROJECT	TRANSPORTATION	BUILDING	COMBINED TOTALS
Revenues:				
Federal Revenues	$ -	$ 1,549	$ -	$ 1,549
Investment Income	2	-	4,723	4,725
Other Revenues	61	9	58	128
Total Revenues	$ 63	$ 1,558	$ 4,781	$ 6,402
Expenditures:				
Current:				
Protection of Persons and Property	$ 91	$ -	$ 97	$ 188
Transportation	-	4	9	13
Resource Management	833	-	2,917	3,750
Economic and Manpower Development	91	-	13	104
Education	2,151	-	4,405	6,556
General Government	4,326	-	5,903	10,229
Total Current Expenditures	$ 7,492	$ 4	$ 13,344	$ 20,840
Capital Outlay	1,531	344	25,545	27,420
Grants and Subsidies	3,076	7,224	73,682	83,982
Total Expenditures	$ 12,099	$ 7,572	$ 112,571	$ 132,242
Excess of Revenues Over (Under) Expenditures	$(12,036)	$(6,014)	$(107,790)	$(125,840)
Other Financing Sources (Uses):				
General Obligation Bonds	$ -	$ -	$ 1,000	$ 1,000
Operating Transfers-in	6,146	-	-	6,146
Operating Transfers to Debt Service	-	-	(3,353)	(3,353)
Other Operating Transfers-Out	(30)	-	-	(30)
Other Sources (Uses)	(270)	-	(600)	(870)
Net Other Financing Sources (Uses)	$ 5,846	$ -	$ (2,953)	$ 2,893
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ (6,190)	$(6,014)	$(110,743)	$(122,947)
Fund Balances, July 1, 1986	14,997	15,138	87,684	117,819
Residual Equity Transfers-Out	-	-	(2,901)	(2,901)
Fund Balances, June 30, 1987	$ 8,807	$ 9,124	$ (25,960)	$ (8,029)

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ENTERPRISE FUNDS

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises and where the costs of providing goods or services to the general public are recovered primarily through user charges; or where the state has decided that determination of net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Descriptions of individual enterprise funds follow.

The **Housing Finance Agency Loan Funds** provide money for loans and technical assistance for construction and rehabilitation of housing for families of low and moderate incomes.

The **Higher Education Facilities Authority Fund** assists private nonprofit, nonsectarian post secondary educational institutions in financing construction of education facilities.

The **State University Board Revenue Fund** constructs, maintains and operates college buildings for residence hall, student union or food service purposes.

The **Higher Education Coordinating Board Student Loan Fund** makes loans, under several programs, to qualified post secondary students.

The **Minnesota Energy and Economic Development Authority Fund** assists economic growth through business expansion and the development of energy alternatives by providing loans to Minnesota businesses.

The **College and University Enterprise Activities Fund** includes the various auxiliary enterprise and student loan programs operated by the state universities and community colleges.

The **Minnesota Correctional Industries Fund** facilitates prisoner rehabilitation by providing facilities and assistance for manufacturing and marketing goods to the general public.

The **Minnesota Zoological Garden Fund** accounts for the operation of the Minnesota Zoological Garden.

The **Enterprise Activities Fund** includes various minor activities providing services to the general public or local governmental units.

STATE OF MINNESOTA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987
(IN THOUSANDS)

	HOUSING FINANCE AGENCY LOAN FUNDS		HIGHER EDUCATION FACILITIES AUTHORITY	STATE UNIVERSITY BOARD REVENUE
	HOUSING DEVELOPMENT	PROGRAMS		
ASSETS				
Current Assets:				
Cash and Investments	$164,407	$ 294,376	$ 863	$20,797
Accounts Receivable	1,925	1,587	-	766
Accrued Income	1,051	19,716	9	730
Inventories	-	4,071	-	-
Loans/Notes Receivable	-	-	-	-
Deferred Costs	-	30,025	-	1
Other Current Assets	-	-	2	-
Total Current Assets	$167,383	$ 349,775	$ 874	$22,294
Restricted Assets:				
Restricted for Debt Service	$ -	$ 228,946	$ 28,890	$ 4,440
Other	-	20,226	340	9,102
Total Restricted Assets	$ -	$ 249,172	$ 29,230	$13,542
Noncurrent Assets:				
Loans Receivable	$ 33,583	$1,221,466	$ 34,221	$ -
Financing Leases Receivable	-	-	40,643	-
Advances to Other Funds	-	-	-	8
Fixed Assets (Net)	1,337	-	12	44,315
Total Noncurrent Assets	$ 34,920	$1,221,466	$ 74,876	$44,323
Total Assets	$202,303	$1,820,413	$104,980	$80,159
LIABILITIES AND FUND EQUITY				
Liabilities:				
Current Liabilities:				
Accounts Payable	$ 1,201	$ 217	$ 15	$ -
Accrued Interest Payable	-	-	-	-
Compensated Absences Payable	222	-	-	-
Advances from Other Funds	-	-	-	80
Deferred Revenue	541	274	159	945
Funds Held in Trust	123,394	30	-	-
Other Current Liabilities	-	-	-	-
Total Current Liabilities	$125,358	$ 521	$ 174	$ 1,025
Payable from Restricted Assets:				
Accounts Payable	$ -	$ -	$ -	$ 2,544
Revenue Bonds Payable	-	51,420	14,675	1,100
Revenue Bonds Interest Payable	-	63,179	1,730	299
General Obligation Bonds Payable	-	-	-	600
General Obligation Bonds Interest Payable	-	-	-	234
Other	-	-	232	-
Total Payable from Restricted Assets	$ -	$ 114,599	$ 16,637	$ 4,777
Noncurrent Liabilities:				
General Obligation Bonds Payable	$ -	$ -	$ -	$12,419
Revenue Bonds Payable	-	1,485,196	85,607	26,679
Compensated Absences Payable	23	-	-	541
Advances from Other Funds	-	-	-	-
Capital Leases Payable	-	-	-	-
Deferred Revenue	-	-	-	-
Other Noncurrent Liabilities	-	-	-	-
Total Noncurrent Liabilities	$ 23	$1,485,196	$ 85,607	$39,639
Total Liabilities	$125,381	$1,600,316	$102,418	$45,441
Fund Equity:				
Contributed Capital	$ -	$ -	$ -	$ 5,790
Reserved Retained Earnings:				
Reserved for Debt Requirements	$ -	$ 6,937	$ 1,851	$ 8,224
Reserved per Law	50,612	71,633	-	-
Total Reserved Retained Earnings	$ 50,612	$ 78,570	$ 1,851	$ 8,224
Unreserved Retained Earnings	26,310	141,527	711	20,704
Total Retained Earnings	$ 76,922	$ 220,097	$ 2,562	$28,928
Total Fund Equity	$ 76,922	$ 220,097	$ 2,562	$34,718
Total Liabilities and Fund Equity	$202,303	$1,820,413	$104,980	$80,159

STATE OF MINNESOTA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987
(IN THOUSANDS)

HIGHER EDUCATION COORDINATING BOARD STUDENT LOAN	MINNESOTA ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY	COLLEGE AND UNIVERSITY ENTERPRISE ACTIVITIES	MINNESOTA CORRECTIONAL INDUSTRIES	MINNESOTA ZOOLOGICAL GARDEN	ENTERPRISE ACTIVITIES	COMBINED TOTALS
$206,576	$106,485	$ 7,468	$ 964	$ 3,115	$ 405	$ 805,456
-	-	1,242	2,153	105	759	8,537
7,264	671	43	1	-	-	29,485
-	-	2,249	4,615	376	215	11,526
24,000	1,245	5,877	2	-	-	31,124
772	-	231	-	-	2	31,031
-	-	15	-	-	-	17
$238,612	$108,401	$17,125	$7,735	$ 3,596	$1,381	$ 917,176
$ 83,117	$ 12,526	$ -	$ -	$ 161	$ -	$ 358,080
-	9,147	-	-	-	-	38,815
$ 83,117	$ 21,673	$ -	$ -	$ 161	$ -	$ 396,895
$135,247	$ 27,796	$22,953	$ -	$ -	$ -	$1,475,266
-	-	-	-	-	-	40,643
-	-	-	-	-	-	8
10	-	452	2,054	26,861	437	75,478
$135,257	$ 27,796	$23,405	$2,054	$26,861	$ 437	$1,591,395
$456,986	$157,870	$40,530	$9,789	$30,618	$1,818	$2,905,466
$ 362	$ 84	$ 658	$ 335	$ 553	$ 355	$ 3,780
-	546	1	-	-	-	547
69	-	-	273	290	341	1,195
-	-	-	-	-	6	86
-	-	5	-	245	82	2,251
-	-	-	-	-	-	123,424
-	-	-	22	173	-	195
$ 431	$ 630	$ 664	$ 630	$ 1,261	$ 784	$ 131,478
$ -	$ -	$ -	$ -	$ -	$ -	$ 2,544
22,000	1,545	-	-	-	-	90,740
4,238	899	-	-	-	-	70,345
-	-	-	-	-	-	600
-	-	-	-	-	-	234
-	-	-	-	-	-	232
$ 26,238	$ 2,444	$ -	$ -	$ -	$ -	$ 164,695
$ -	$ -	$ -	$ -	$ -	$ -	$ 12,419
292,245	109,665	-	-	-	-	1,999,392
-	-	93	45	22	6	730
-	-	8	-	-	28	36
-	-	-	-	60	27	87
-	7,726	-	-	-	-	7,726
-	-	-	-	20	-	20
$292,245	$117,391	$ 101	$ 45	$ 102	$ 61	$2,020,410
$318,914	$120,465	$ 765	$ 675	$ 1,363	$ 845	$2,316,583
$ -	$ -	$ -	$4,644	$28,431	$1,310	$ 40,175
$ 49,306	$ 20,079	$ -	$ -	$ 161	$ -	$ 86,558
-	-	31,113	-	-	-	153,358
$ 49,306	$ 20,079	$31,113	$ -	$ 161	$ -	$ 239,916
88,766	17,326	8,652	4,470	663	(337)	308,792
$138,072	$ 37,405	$39,765	$4,470	$ 824	$ (337)	$ 548,708
$138,072	$ 37,405	$39,765	$9,114	$29,255	$ 973	$ 588,883
$456,986	$157,870	$40,530	$9,789	$30,618	$1,818	$2,905,466

STATE OF MINNESOTA
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	HOUSING FINANCE AGENCY LOAN FUNDS		HIGHER EDUCATION FACILITIES AUTHORITY	STATE UNIVERSITY BOARD REVENUE
	HOUSING DEVELOPMENT	PROGRAMS		
Operating Revenues:				
Net Sales	$ -	$ -	$ -	$ -
Interest Income	558	108,497	-	-
Investment Income	3,795	38,001	-	-
Rental and Service Fees	1,141	2,815	5,409	28,760
Other Income	-	1,673	-	-
Total Operating Revenues	$ 5,494	$150,986	$ 5,409	$28,760
Less Cost of Goods Sold	-	-	-	-
Gross Margin	$ 5,494	$150,986	$ 5,409	$28,760
Operating Expenses:				
Interest and Financing Costs	$ -	$124,709	$ 7,254	$ 1,983
Purchased Services	2,813	-	47	13,061
Salaries and Fringe Benefits	3,660	3,754	93	8,070
Depreciation	272	-	3	3,060
Amortization	-	2,989	204	8
Supplies and Materials	74	-	-	1,506
Indirect Costs	90	-	-	-
Other Expenses	-	2,830	55	-
Total Operating Expenses	$ 6,909	$134,282	$ 7,656	$27,688
Operating Income (Loss)	$ (1,415)	$ 16,704	$(2,247)	$ 1,072
Nonoperating Revenues (Expenses):				
Investment Income	$ -	$ -	$ 2,590	$ 2,817
Federal Grants and Subsidies	57,727	-	-	118
Other Nonoperating Revenues	465	-	-	87
Grants, Aids and Subsidies	(62,651)	-	-	-
Other Nonoperating Expenses	-	-	(67)	-
Gain (Loss) on Sale of Fixed Assets	-	-	-	(6)
Net Nonoperating Revenues (Expenses)	$ (4,459)	$ -	$ 2,523	$ 3,016
Income (Loss) Before Operating Transfers	$ (5,874)	$ 16,704	$ 276	$ 4,088
Operating Transfers-In	17,333	5,326	-	-
Operating Transfers-Out	(5,326)	(6,891)	-	-
Net Income (Loss)	$ 6,133	$ 15,139	$ 276	$ 4,088
Depreciation on Fixed Assets Acquired with Contributed Capital	-	-	-	352
Increase (Decrease) in Retained Earnings	$ 6,133	$ 15,139	$ 276	$ 4,440
Retained Earnings, July 1, 1986, as Reported	$ 70,789	$204,958	$ 2,286	$24,488
Prior Period Adjustments	-	-	-	-
Changes in Accounting Principle	-	-	-	-
Retained Earnings, July 1, 1986, as Restated	$ 70,789	$204,958	$ 2,286	$24,488
Residual Equity Transfers-Out	-	-	-	-
Retained Earnings, June 30, 1987	$ 76,922	$220,097	$ 2,562	$28,928

STATE OF MINNESOTA
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

HIGHER EDUCATION COORDINATING BOARD STUDENT LOAN	MINNESOTA ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY	COLLEGE AND UNIVERSITY ENTERPRISE ACTIVITIES	MINNESOTA CORRECTIONAL INDUSTRIES	MINNESOTA ZOOLOGICAL GARDEN	ENTERPRISE ACTIVITIES	COMBINED TOTALS
$ -	$ -	$12,915	$ 6,644	$ 4,537	$1,934	$ 26,030
12,228	2,428	96	1	-	-	123,808
-	-	-	-	-	-	41,796
775	217	1,031	-	-	3,872	44,020
-	386	833	-	308	28	3,228
$ 13,003	$ 3,031	$14,875	$ 6,645	$ 4,845	$5,834	$238,882
-	-	8 893	6,923	457	644	16,917
$ 13,003	$ 3,031	$ 5,982	$ (278)	$ 4,388	$5,190	$221,965
$ 19,806	$ 8,564	$ 1	$ -	$ 7	$ 3	$162,327
4,414	996	519	6	2,022	893	24,771
721	589	2,047	1,995	5,101	4,031	30,061
8	-	61	260	1,076	54	4,794
575	-	-	-	9	9	3,794
8	15	529	740	670	86	3,628
102	-	324	51	55	194	816
114	1,872	581	335	193	11	5,991
$ 25,748	$12,036	$ 4,062	$ 3,387	$ 9,133	$5,281	$236,182
$(12,745)	$(9,005)	$ 1,920	$(3,665)	$(4,745)	$ (91)	$(14,217)
$ 20,509	$ 9,266	$ 490	$ 99	$ 30	$ -	$ 35,801
2,783	-	27	-	19	-	60,674
-	-	966	20	-	111	1,649
-	-	-	-	203	-	(62,448)
-	-	(548)	(6)	-	(54)	(675)
-	-	(85)	(81)	-	7	(165)
$ 23,292	$ 9,266	$ 850	$ 32	$ 252	$ 64	$ 34,836
$ 10,547	$ 261	$ 2,770	$(3,633)	$(4,493)	$ (27)	$ 20,619
-	6,846	37	2,782	4,754	-	37,078
-	-	(796)	-	-	-	(13,013)
$ 10,547	$ 7,107	$ 2,011	$ (851)	$ 261	$ (27)	$ 44,684
-	-	-	-	-	13	365
$ 10,547	$ 7,107	$ 2,011	$ (851)	$ 261	$ (14)	$ 45,049
$127,525	$30,298	$ 7,567	$ 5,321	$ 2,411	$ (298)	$475,345
-	-	-	-	(1,848)	-	(1,848)
-	-	30,187	-	-	-	30,187
$127,525	$30,298	$37,754	$ 5,321	$ 563	$ (298)	$503,684
-	-	-	-	-	(25)	(25)
$138,072	$37,405	$39,765	$ 4,470	$ 824	$ (337)	$548,708

STATE OF MINNESOTA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	HOUSING FINANCE AGENCY LOAN FUNDS		HIGHER EDUCATION FACILITIES AUTHORITY	STATE UNIVERSITY BOARD REVENUE
	HOUSING DEVELOPMENT	PROGRAMS		
Cash Provided:				
From Operations:				
Net Income (Loss)	$ 6,133	$ 15,139	$ 276	$ 4,088
Items Added to (Deducted from) Net Income:				
Decrease (Increase) in Current Assets:				
Accounts Receivable	$ (425)	$ 38	$ -	$ (325)
Accrued Income	168	(1,037)	3	3
Inventories	-	(1,478)	-	-
Other Current Assets	8	1,168	(630)	-
Increase (Decrease) in Current Liabilities:				
Accounts Payable	(847)	(37)	6	1,254
Accrued Interest Payable	-	-	8	(23)
Deferred Revenue	(11,973)	(56)	(37)	94
Other Current Liabilities	18,302	(759)	-	-
Depreciation	272	-	3	3,060
Amortization	-	2,989	204	8
Losses (Gains) on Fixed Asset Sales	-	-	-	6
Change in Other Assets/Liabilities	13	5,305	40	141
Total Items Added (Deducted)	$ 5,518	$ 6,133	$ (403)	$ 4,218
Total Cash Provided From Operations	$ 11,651	$ 21,272	$ (127)	$ 8,306
Other Cash Provided:				
Proceeds From Sale of Bonds	$ -	$105,785	$ 2,455	$ -
Reduction of Loans Receivable	1,202	111,348	-	-
Reduction of Financing Leases Receivable	-	-	2,598	-
Increase in Capital Leases Payable	-	-	-	-
Capital Contributions	-	-	-	-
Proceeds from the Sale of Fixed Assets	-	-	-	-
Other Cash Provided	-	-	-	2
Total Other Cash Provided	$ 1,202	$217,133	$ 5,053	$ 2
Total Cash Provided	$ 12,853	$238,405	$ 4,926	$ 8,308
Cash Applied:				
Loans Issued	$ 10,147	$ 90,066	$ 2,809	$ -
Investments in Fixed Assets	855	-	4	3,004
Reduction of Indebtedness	-	172,229	5,825	1,735
Reduction of Capital Leases Payable	-	-	-	-
Other Cash Applied	-	-	29	-
Total Cash Applied	$ 11,002	$262,295	$ 8,667	$ 4,739
Net Increase (Decrease) in Cash and Investments	$ 1,851	$(23,890)	$(3,741)	$ 3,569
Cash and Investments, July 1, 1986	162,556	567,438	33,204	30,770
Cash and Investments, June 30, 1987	$164,407	$543,548	$29,463	$34,339

STATE OF MINNESOTA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

HIGHER EDUCATION COORDINATING BOARD STUDENT LOAN	MINNESOTA ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY	COLLEGE AND UNIVERSITY ENTERPRISE ACTIVITIES	MINNESOTA CORRECTIONAL INDUSTRIES	MINNESOTA ZOOLOGICAL GARDEN	ENTERPRISE ACTIVITIES	COMBINED TOTALS
$ 10,547	$ 7,107	$2,011	$ (851)	$ 261	$ (27)	$ 44,684
$ -	$ -	$ (23)	$ (706)	$ (24)	$(170)	$ (1,635)
1,626	151	(113)	40	-	-	841
-	-	(298)	341	24	(40)	(1,451)
-	-	(43)	313	-	7	823
(9)	(3,046)	140	(41)	(42)	(3)	(2,625)
(292)	(10)	-	-	-	-	(317)
-	-	(10)	(10)	46	8	(11,938)
6	(759)	-	52	200	22	17,064
8	-	61	260	1,076	54	4,794
575	-	-	-	9	9	3,794
-	-	85	81	-	(7)	165
95	1,547	84	(35)	(48)	(6)	7,136
$ 2,009	$ (2,117)	$ (117)	$ 295	$1,241	$(126)	$ 16,651
$ 12,556	$ 4,990	$1,894	$ (556)	$1,502	$(153)	$ 61,335
$ -	$ 8,015	$ -	$ -	$ -	$ -	$ 116,255
29,449	1,269	4,847	-	-	-	148,115
-	-	-	-	-	-	2,598
-	-	-	-	20	-	20
-	-	-	78	-	169	247
-	-	15	8	-	23	46
-	7,525	-	-	122	33	7,682
$ 29,449	$ 16,809	$4,862	$ 86	$ 142	$ 225	$ 274,963
$ 42,005	$ 21,799	$6,756	$ (470)	$1,644	$ 72	$ 336,298
$ 26,841	$ 11,205	$5,657	$ -	$ -	$ -	$ 146,725
-	-	305	390	586	27	5,171
20,585	575	2	-	18	172	201,141
-	-	-	-	-	9	9
-	-	-	-	-	25	54
$ 47,426	$ 11,780	$5,964	$ 390	$ 604	$ 233	$ 353,100
$ (5,421)	$ 10,019	$ 792	$ (860)	$1,040	$(161)	$ (16,802)
294,976	118,139	6,676	1,824	2,236	566	1,218,385
$289,555	$128,158	$7,468	$ 964	$3,276	$ 405	$1,201,583

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INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods and services provided by one state agency to other state agencies on a cost-reimbursement basis. Descriptions of individual funds in this category are presented below.

The **Computer Services Fund** accounts for the operation of statewide computer systems.

The **Central Stores Fund** accounts for the operation of centralized supplies purchasing, storage and distribution.

The **State Printer Fund** accounts for the operation of print shops.

The **Central Motor Pool Fund** accounts for the operation of a fleet of passenger vehicles and the state vehicle maintenance garage.

The **Telecommunications Fund** accounts for the operation of a centralized telephone system for most state agencies throughout the state.

The **Plant Management Fund** accounts for the cost of maintenance and operation of state owned buildings and grounds in the capitol complex.

The **Master Lease Fund** accounts for bonds sold to finance major purchases of equipment by other funds.

The **Risk Management Fund** accounts for the providing of liability insurance, primarily automobile, to state agencies.

The **Central Services Fund** accounts for miscellaneous centralized support services provided to state agencies.

STATE OF MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987
(IN THOUSANDS)

	COMPUTER SERVICES	CENTRAL STORES	STATE PRINTER	CENTRAL MOTOR POOL
ASSETS				
Current Assets:				
Cash and Investments	$ 1,155	$334	$ 302	$ 140
Accounts Receivable	2,634	84	430	454
Due from Other Funds	-	-	-	-
Accrued Income	-	-	-	-
Inventories	-	440	122	25
Financing Leases Receivable	-	-	-	-
Deferred Costs	131	-	4	87
Total Current Assets	$ 3,920	$858	$ 858	$ 706
Noncurrent Assets:				
Financing Leases Receivable	$ -	$ -	$ -	$ -
Other Noncurrent Receivables	-	-	-	-
Fixed Assets (Net)	7,847	66	535	3,657
Total Noncurrent Assets	$ 7,847	$ 66	$ 535	$3,657
Total Assets	$11,767	$924	$1,393	$4,363
LIABILITIES AND FUND EQUITY				
Liabilities:				
Current Liabilities:				
Accounts Payable	$ 855	$162	$ 281	$ 203
Accrued Interest Payable	-	-	1	16
Payable to Other Funds	-	-	224	-
Installment Purchases Payable	195	-	26	-
Revenue Bonds Payable	2,778	-	34	1,505
Compensated Absences Payable	530	22	81	23
Advances from Other Funds	233	-	57	677
Capital Leases Payable	770	-	-	-
Deferred Revenue	-	-	-	-
Total Current Liabilities	$ 5,361	$184	$ 704	$2,424
Noncurrent Liabilities:				
Installment Purchases Payable	$ 855	$ -	$ 10	$ -
Revenue Bonds Payable	1,812	-	103	1,491
Compensated Absences Payable	217	9	30	11
Advances from Other Funds	778	-	110	202
Capital Leases Payable	926	-	-	-
Deferred Revenue	-	-	-	-
Total Noncurrent Liabilities	$ 4,588	$ 9	$ 253	$1,704
Total Liabilities	$ 9,949	$193	$ 957	$4,128
Fund Equity:				
Contributed Capital	$ 3,356	$691	$ 640	$ 502
Retained Earnings:				
Reserved for Claims	$ -	$ -	$	$ -
Unreserved	(1,538)	40	(204	(267)
Total Retained Earnings	$(1,538)	$ 40	$ (204)	$ (267)
Total Fund Equity	$ 1,818	$731	$ 436	$ 235
Total Liabilities and Fund Equity	$11,767	$924	$1,393	$4,363

STATE OF MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987
(IN THOUSANDS)

TELECOM-MUNICATIONS	PLANT MANAGEMENT	MASTER LEASE	RISK MANAGEMENT	CENTRAL SERVICES	COMBINED TOTALS
$1,116	$2,616	$6,346	$407	$ 844	$13,260
733	567	-	4	405	5,311
-	249	-	-	-	249
-	-	68	-	-	68
-	162	-	-	26	775
155	-	-	-	-	155
5	5	59	-	1	292
$2,009	$3,599	$6,473	$411	$1,276	$20,110
$ 221	$ -	$ -	$ -	$ -	$ 221
-	-	-	-	14	14
119	505	-	-	288	13,017
$ 340	$ 505	$ -	$ -	$ 302	$13,252
$2,349	$4,104	$6,473	$411	$1,578	$33,362
$1,884	$ 993	$ 60	$ 30	$ 242	$ 4,710
-	-	42	-	-	59
-	-	-	-	249	473
-	-	-	-	28	249
38	22	2,170	-	7	6,554
7	263	-	-	105	1,031
292	-	-	-	12	1,271
-	1	-	-	-	771
5	45	25	-	-	75
$2,226	$1,324	$2,297	$ 30	$ 643	$15,193
$ -	$ -	$ -	$ -	$ 60	$ 925
141	83	4,075	-	27	7,732
-	107	-	-	3	377
180	-	-	-	27	1,297
-	2	-	-	-	928
-	-	28	-	-	28
$ 321	$ 192	$4,103	$ -	$ 117	$11,287
$2,547	$1,516	$6,400	$ 30	$ 760	$26,480
$ 592	$1,210	$ -	$ -	$ 509	$ 7,500
$ -	$ -	$ -	$381	$ -	$ 381
(790)	1,378	73	-	309	(999)
$ (790)	$1,378	$ 73	$381	$ 309	$ (618)
$ (198)	$2,588	$ 73	$381	$ 818	$ 6,882
$2,349	$4,104	$6,473	$411	$1,578	$33,362

STATE OF MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	COMPUTER SERVICES	CENTRAL STORES	STATE PRINTER	CENTRAL MOTOR POOL
Operating Revenues:				
Net Sales	$ -	$2,977	$3,723	$ -
Rental and Service Fees	20,032	-	29	3,304
Other Income	-	-	-	6
Total Operating Revenues	$20,032	$2,977	$3,752	$3,310
Less Cost of Goods Sold	-	2,321	3,002	-
Gross Margin	$20,032	$ 656	$ 750	$3,310
Operating Expenses:				
Interest and Financing Costs	$ 676	$ -	$ 14	$ 251
Purchased Services	5,726	204	81	343
Salaries and Fringe Benefits	7,938	343	438	477
Depreciation	2,090	4	50	1,264
Amortization	1,936	4	-	62
Supplies and Materials	616	7	17	693
Indirect Costs	487	141	238	183
Other Expenses	106	-	-	-
Total Operating Expenses	$19,575	$ 703	$ 838	$3,273
Operating Income (Loss)	$ 457	$ (47)	$ (88)	$ 37
Nonoperating Revenues (Expenses):				
Investment Income	$ 104	$ -	$ -	$ 149
Other Nonoperating Revenues	-	-	10	-
Gains (Losses) on Sale of Fixed Assets	(471)	-	-	8
Net Nonoperating Revenues (Expenses)	$ (367)	$ -	$ 10	$ 157
Income (Loss) Before Operating Transfers	$ 90	$ (47)	$ (78)	$ 194
Operating Transfers-Out	-	-	-	-
Net Income	$ 90	$ (47)	$ (78)	$ 194
Depreciation on Fixed Assets Acquired With Contributed Capital	-	-	-	-
Increase (Decrease) in Retained Earnings	$ 90	$ (47)	$ (78)	$ 194
Retained Earnings, July 1, 1986	(1,628)	87	(126)	(461)
Retained Earnings, June 30, 1987	$(1,538)	$ 40	$ (204)	$ (267)

STATE OF MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

TELECOM-MUNICATIONS	PLANT MANAGEMENT	MASTER LEASE	RISK MANAGEMENT	CENTRAL SERVICES	COMBINED TOTALS
$ 3,770	$ -	$ -	$ -	$2,272	$12,742
102	12,773	-	-	-	36,240
-	445	-	459	-	910
$ 3,872	$13,218	$ -	$459	$2,272	$49,892
4,542	-	-	-	52	9,917
$ (670)	$13,218	$ -	$459	$2,220	$39,975
$ -	$ 8	$ 1,081	$ -	$ 10	$ 2,040
150	4,978	4	39	359	11,884
158	4,317	-	-	1,594	15,265
103	92	-	-	92	3,695
1	1	46	-	-	2,050
23	681	-	-	85	2,122
68	298	-	-	94	1,509
-	7	-	55	108	276
$ 503	$10,382	$ 1,131	$ 94	$2,342	$38,841
$(1,173)	$ 2,836	$(1,131)	$365	$ (122)	$ 1,134
$ -	$ -	$ 1,054	$ -	$ 1	$ 1,308
1	-	-	16	-	27
-	2	-	-	70	(391)
$ 1	$ 2	$ 1,054	$ 16	$ 71	$ 944
$(1,172)	$ 2,838	$ (77)	$381	$ (51)	$ 2,078
-	(1,891)	-	-	-	(1,891)
$(1,172)	$ 947	$ (77)	$381	$ (51)	$ 187
-	2	-	-	-	2
$(1,172)	$ 949	$ (77)	$381	$ (51)	$ 189
382	429	150	-	360	(807)
$ (790)	$ 1,378	$ 73	$381	$ 309	$ (618)

STATE OF MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	COMPUTER SERVICES	CENTRAL STORES	STATE PRINTER	CENTRAL MOTOR POOL
Cash Provided:				
From Operations:				
Net Income (Loss)	$ 90	$(47)	$(78)	$ 194
Items Added to (Deducted from) Net Income:				
Decrease (Increase) in Current Assets:				
Accounts Receivable	$ (103)	$ 2	$(85)	$ 25
Due from Other Funds	-	-	(7)	-
Accrued Income	-	-	-	-
Inventories	-	89	9	2
Prepaid Expenses	-	-	-	73
Other Current Assets	-	-	1	-
Increase (Decrease) in Current Liabilities:				
Accounts Payable	(748)	34	72	22
Accrued Interest Payable	-	-	-	(7)
Payable to Other Funds	-	-	182	-
Compensated Absences Payable	24	4	6	2
Deferred Revenue	-	-	-	-
Other Current Liabilities	-	-	-	-
Depreciation	2,090	4	163	1,264
Amortization	1,936	4	-	62
Compensated Absences Payable (Non-Current)	41	-	2	1
Losses (Gains) on Fixed Asset Sales	471	-	-	(8)
Other Changes	-	1	-	2
Total Items Added (Deducted)	$3,711	$138	$343	$1,438
Total Cash Provided From Operations	$3,801	$ 91	$265	$1,632
Other Cash Provided:				
Proceeds from Bond Sales	$ -	$ -	$ -	$ 57
Collection of Financing Leases Receivable	-	-	-	-
Increase in Capital Leases Payable	937	-	-	-
Increase in Installment Purchases Payable	1,103	-	-	-
Advances from Other Funds	1,000	-	-	-
Capital Contributions	-	-	-	-
Proceeds from Sales of Fixed Assets	23	-	-	281
Other Sources	-	-	8	-
Total Other Cash Provided	$3,063	$ -	$ 8	$ 338
Total Cash Provided	$6,864	$ 91	$273	$1,970
Cash Applied:				
Investments in Fixed Assets	$1,645	$ 2	$ 6	$ 59
Investments in Leasehold Improvements	529	-	-	-
Deferred Costs	26	-	-	-
Reduction of Advances from Other Funds	64	-	98	252
Reduction of Capital Leases Payable	640	-	-	-
Reduction of Installment Purchases Payable	53	-	23	-
Repayment of Revenue Bond Principal	3,069	-	32	1,579
Other Cash Applied	-	-	-	-
Total Cash Applied	$6,026	$ 2	$159	$1,890
Net Increase (Decrease) in Cash and Investments	$ 838	$ 89	$114	$ 80
Cash and Investments, July 1, 1986	317	245	188	60
Cash and Investments, June 30, 1987	$1,155	$334	$302	$ 140

STATE OF MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

TELECOM-MUNICATIONS	PLANT MANAGEMENT	MASTER LEASE	RISK MANAGEMENT	CENTRAL SERVICES	COMBINED TOTALS
$(1,172)	$ 947	$ (77)	$381	$(51)	$ 187
$ 226	$ 373	$ -	$ (4)	$(33)	$ 401
-	(98)	-	-	-	(105)
-	-	353	-	-	353
-	10	-	-	4	114
-	(2)	-	-	-	71
-	-	-	-	-	1
1,457	(92)	-	9	(69)	685
-	-	(33)	-	-	(40)
-	(1,581)	-	-	249	(1,150)
4	28	-	-	13	81
(9)	45	-	-	(2)	34
-	10	-	21	-	31
103	92	-	-	92	3,808
1	1	46	-	-	2,050
-	3	-	-	2	49
-	(2)	-	-	(70)	391
-	5	-	-	-	8
$ 1,782	$(1,208)	$ 366	$ 26	$186	$ 6,782
$ 610	$ (261)	$ 289	$407	$135	$ 6,969
$ 160	$ -	$ -	$ -	$ 21	$ 238
220	-	-	-	-	220
-	-	-	-	-	937
-	50	-	-	108	1,261
-	-	-	-	-	1,000
-	2	-	-	-	2
-	2	-	-	438	744
-	-	-	-	18	26
$ 380	$ 54	$ -	$ -	$585	$ 4,428
$ 990	$ (207)	$ 289	$407	$720	$11,397
$ 179	$ 195	$ -	$ -	$487	$ 2,573
-	-	-	-	-	529
5	1	-	-	1	33
223	-	-	-	25	662
-	1	-	-	-	641
-	27	-	-	136	239
27	-	9,018	-	5	13,730
-	-	-	-	3	3
$ 434	$ 224	$ 9,018	$ -	$657	$18,410
$ 556	$ (431)	$(8,729)	$407	$ 63	$(7,013)
560	3,047	15,075	-	781	20,273
$ 1,116	$ 2,616	$ 6,346	$407	$844	$13,260

FIDUCIARY FUNDS

Fiduciary funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Below are descriptions of the generic fund types within this category and specific funds within each fund type.

PENSION TRUST FUNDS - Are funds administered by independent boards for which the state performs a fiduciary role. These funds are categorized by function into three types.

Defined Benefit Pension Funds include those retirement funds for which the participant's retirement annuity is based on a statutory formula utilizing such factors as age, average salary, length of service and others. Individual funds in this category include those described below.

The **Public Employees Retirement Fund** which includes resources accumulated to pay present and future retirement annuities to eligible employees of various local units of government.

The **Police and Fire Fund** includes resources accumulated to pay present and future retirement annuities to eligible police officers and fire fighters.

The **Teachers Retirement Fund** includes resources accumulated to pay present and future retirement annuities for members of both the basic and coordinated teachers retirement plans.

The **State Employees Retirement Fund** includes resources accumulated to pay present and future retirement annuities to state and University of Minnesota employees not covered by other pension funds.

The **State Patrol Retirement Fund** includes resources accumulated to pay present and future retirement annuities to eligible state patrol officers, conservation officers and crime bureau personnel.

The **Judicial Retirement Fund** includes resources accumulated to pay present and future retirement annuities to eligible district, municipal, county and probate court judges, supreme court justices and various court referees.

The **Elective State Officers Fund** includes resources accumulated to pay present and future retirement annuities for the state's constitutional officers.

The **Legislative Retirement Fund** includes resources accumulated to pay present and future retirement annuities for members of the state legislature.

Defined Contribution Funds include those retirement funds for which the amount of the participant's retirement annuity is primarily determined by the employer/employee contributions. Other factors such as age and length of service may provide minimum eligibility qualifications. Individual funds in this category are described below.

The **Unclassified Employees Retirement Fund** includes the aggregate of unclassified employee share accounts which are either refunded or used to purchase a retirement annuity upon termination of service.

The **College Supplemental Retirement Fund** includes the aggregate of share accounts derived from contributions received from eligible state university and community college employees, with matching state contributions.

Investment Trust Funds are a group of investment funds which serve as investment vehicles for the participating funds. They are administered by the State Board of Investment in accordance with the applicable statutes defining the participating funds, the types of investments which may be purchased and the distribution of earnings or losses.

The **Minnesota Supplemental Investment Fund** provides an investment vehicle for the Defined Contribution Funds and for some locally administered pension plans.

The **Minnesota Post-Retirement Investment Fund** serves as an investment vehicle for the Defined Benefit Funds and as such invests their reserves to produce income for the payment of retirement benefits.

The **Minnesota Variable Annuity Fund** is restricted to participation by members of the Teachers Retirement Association. Investments are limited to corporate stocks with no more than six percent of the book value to be invested in a single corporation.

NONEXPENDABLE TRUST FUNDS - Are funds whose principal may not be expended.

The **Permanent School Fund** is a constitutionally established trust fund which receives revenue from investments and the sale of state land and timber. The investment earnings are transferred to the Endowment School Fund for distribution to school districts.

EXPENDABLE TRUST FUNDS - Are funds whose resources, including principal and interest, may be expended. Descriptions of individual funds in this category follow.

The **Municipal State-Aid Street Fund** receives 8.95 percent of the revenue received by the Highway User Tax Distribution Fund primarily for distribution to municipalities for improvement of streets.

The **County State-Aid Highway Fund** receives 29.6 percent of the revenue received by the Highway User Tax Distribution Fund primarily for distribution to counties for improvement of county roads.

The **Endowment School Fund** receives revenue from the investments of the Permanent School Fund and distributes it to school districts.

The **Endowment Fund** receives gifts, donations and endowments which may be expended only for those purposes specified by the donors.

The **Northeast Minnesota Economic Protection Fund** receives distributions from taconite production taxes to be held in trust or expended only in economic emergency for the purposes of rehabilitation and diversification of industry in the area largely dependent on the taconite mining industry.

The **Rural Rehabilitation Trust Fund** is a trust fund established from the proceeds of a federal grant for making loans to rural enterprises from the trust corpus.

The **Unemployment Compensation Fund** receives unemployment taxes collected from employers and pays unemployment benefits to eligible individuals.

The **Insurance Trust Fund** receives employee health and life insurance premiums and reimburses claims paid by insurance carriers.

AGENCY FUNDS - Are funds which hold monies in an agency capacity for various governmental units, individuals or funds. Individual fund descriptions follow.

The **Disbursement Clearing Fund** is a clearing fund used to account for state warrants issued and redeemed.

The **Taxes Clearing Fund** is used to distribute tax receipts as specified by statute.

The **Deferred Compensation Fund** includes the aggregate of voluntary employee payroll deductions which defer income and may be repaid in accordance with income tax code restrictions.

The **Social Welfare Fund** includes funds held for patients and inmates in state institutions.

The **Miscellaneous Agency Fund** includes the amounts held in trust by the state for various other governmental units, individuals or funds.

STATE OF MINNESOTA
FIDUCIARY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987
(IN THOUSANDS)

	PENSION TRUST	NONEXPENDABLE TRUST FUND: PERMANENT SCHOOL	EXPENDABLE TRUST	AGENCY	LESS ELIMINATIONS	COMBINED TOTALS
ASSETS						
Cash and Investments	$8,896,954	$350,000	$444,773	$279,914	$ -	$ 9,971,641
Accounts Receivable	33,062	1,309	41,887	2,629	-	78,887
Due from Other Funds	26,351	-	17,297	21	-	43,669
Accrued Income	73,094	5,988	5,466	54	-	84,602
Federal Aid Receivable	-	-	56	-	-	56
Deferred Costs	-	-	-	180	-	180
Loans/Notes Receivable	-	-	9,749	-	-	9,749
Advances to Other Funds	-	-	4,000	-	-	4,000
Equity in Investment Trust Funds	-	-	-	117,982	117,982	-
Fixed Assets (Net)	586	15,450	-	-	-	16,036
Other Assets	20	-	-	-	-	20
Total Assets	$9,030,067	$372,747	$523,228	$400,780	$117,982	$10,208,840
LIABILITIES AND FUND BALANCES						
Liabilities:						
Warrants Payable	$ -	$ -	$ -	$120,901	$ -	$ 120,901
Accounts Payable	5,708	-	44,704	5,408	-	55,820
Payable to Other Funds	22,571	17,474	462	234	-	40,741
Payable to Other Governmental Units	-	-	-	3,099	-	3,099
Deferred Revenue	949	-	1,815	-	-	2,764
Compensated Absences Payable	463	-	59	-	-	522
Advances from Other Funds	-	-	546	-	-	546
Funds Held in Trust	919,384	-	-	271,138	117,982	1,072,540
Total Liabilities	$ 949,075	$ 17,474	$ 47,586	$400,780	$117,982	$ 1,296,933
Fund Balances:						
Reserved Fund Balances:						
Reserved for Encumbrances	$ -	$ -	$ 2,751	$ -	$ -	$ 2,751
Reserved for Long-Term Receivables	-	-	37,140	-	-	37,140
Reserved for Local Governments	-	-	305,532	-	-	305,532
Reserved for Endowment Principal	-	355,273	-	-	-	355,273
Reserved for Pension Benefits	8,080,992	-	-	-	-	8,080,992
Reserved for Other	-	-	5,936	-	-	5,936
Total Reserved Fund Balances	$8,080,992	$355,273	$351,359	$ -	$ -	$ 8,787,624
Unreserved Fund Balances:						
Designated for Fund Purposes	$ -	$ -	$128,443	$ -	$ -	$ 128,443
Undesignated	-	-	(4,160)	-	-	(4,160)
Total Unreserved Fund Balances	$ -	$ -	$124,283	$ -	$ -	$ 124,283
Total Fund Balances	$8,080,992	$355,273	$475,642	$ -	$ -	$ 8,911,907
Total Liabilities and Fund Balances	$9,030,067	$372,747	$523,228	$400,780	$117,982	$10,208,840

STATE OF MINNESOTA
PENSION TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987
(IN THOUSANDS)

	DEFINED BENEFIT	DEFINED CONTRIBUTION	INVESTMENT TRUST	LESS ELIMINATIONS	COMBINED TOTALS
ASSETS					
Cash and Investments	$4,396,539	$ 514	$4,499,901	$ -	$8,896,954
Accounts Receivable	30,485	208	2,369	-	33,062
Due from Other Funds	4,378	-	21,973	-	26,351
Accrued Investment Income	1,054	-	72,040	-	73,094
Equity in Investment Trust Funds	3,671,596	139,364	-	3,810,960	-
Fixed Assets (Net)	586	-	-	-	586
Other Assets	20	-	-	-	20
Total Assets	$8,104,658	$140,086	$4,596,283	$3,810,960	$9,030,067
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 817	$ -	$ 4,891	$ -	$ 5,708
Payable to Other Funds	22,332	12	227	-	22,571
Deferred Revenue	54	-	895	-	949
Compensated Absences Payable	463	-	-	-	463
Funds Held in Trust	-	140,074	4,590,270	3,810,960	919,384
Total Liabilities	$ 23,666	$140,086	$4,596,283	$3,810,960	$ 949,075
Fund Balances:					
Reserved for Pension Benefits	$8,080,992	$ -	$ -	$ -	$8,080,992
Total Fund Balances	$8,080,992	$ -	$ -	$ -	$8,080,992
Total Liabilities and Fund Balances	$8,104,658	$140,086	$4,596,283	$3,810,960	$9,030,067

STATE OF MINNESOTA
PENSION TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES/FUNDS HELD IN TRUST
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	DEFINED BENEFIT	DEFINED CONTRIBUTION	INVESTMENT TRUST	LESS ELIMINATIONS	COMBINED TOTALS
Operating Revenues:					
Contributions	$ 478,251	$ -	$ -	$ -	$ 478,251
Investment Income	596,047	58	362,981	-	959,086
Distributed Investment Trust Fund Income	433,521	-	-	433,521	-
Realized/Unrealized Gain on Investment Trust Fund Equity	-	17,460	-	17,460	-
Net Realized Gains	-	-	118,123	-	118,123
Decrease in Unrealized Appreciation	-	-	(217,437)	-	(217,437)
Other Income	6,220	83	-	-	6,303
Total Operating Revenues	$1,514,039	$ 17,601	$ 263,667	$ 450,981	$ 1,344,326
Operating Expenses:					
Annuity Payments	$ 330,823	$ -	$ -	$ -	$ 330,823
Refunded Contributions	29,511	-	-	-	29,511
Interest and Financing Costs	4,802	-	-	-	4,802
Purchased Services	1,695	57	-	-	1,752
Investment Management Fees	6,867	-	1,433	-	8,300
Salaries and Fringe Benefits	4,544	141	-	-	4,685
Depreciation	210	-	-	-	210
Supplies and Materials	83	2	-	-	85
Indirect Costs	138	4	-	-	142
Other Expenses	413	-	-	-	413
Total Operating Expenses	$ 379,086	$ 204	$ 1,433	$ -	$ 380,723
Operating Income	$1,134,953	$ 17,397	$ 262,234	$ 450,981	$ 963,603
Nonoperating Revenues (Expenses):					
Participant Contributions	$ -	$ 8,331	$ 467,721	$ 446,671	$ 29,381
Participant Withdrawals	-	(5,437)	(265,744)	(250,830)	(20,351)
Net Nonoperating Revenues (Expenses)	$ -	$ 2,894	$ 201,977	$ 195,841	$ 9,030
Income Before Operating Transfers	$1,134,953	$ 20,291	$ 464,211	$ 646,822	$ 972,633
Operating Transfers-In	4,760	350	-	-	5,110
Operating Transfers-Out	(350)	-	-	-	(350)
Net Income	$1,139,363	$ 20,641	$ 464,211	$ 646,822	$ 977,393
Fund Balances/Funds Held in Trust, July 1, 1986, as Reported	$6,941,629	$ 223,407	$4,126,059	$ -	$11,291,095
Change in Accounting Principle	-	(103,974)	-	3,164,138	(3,268,112)
Fund Balances/Funds Held in Trust, July 1, 1986, as Restated	$6,941,629	$ 119,433	$4,126,059	$3,164,138	$ 8,022,983
Fund Balances/Funds Held in Trust, June 30, 1987	$8,080,992	$ 140,074	$4,590,270	$3,810,960	$ 9,000,376

STATE OF MINNESOTA
PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	DEFINED BENEFIT	DEFINED CONTRIBUTION	INVESTMENT TRUST	LESS ELIMINATIONS	COMBINED TOTALS
Cash Provided:					
From Operations:					
Net Income	$1,139,363	$ 20,641	$ 464,211	$ 646,822	$ 977,393
Items Added to (Deducted from) Net Income:					
Decrease (Increase) in Current Assets:					
Accounts Receivable	$ (16,394)	$ 45	$ (2,369)	$ -	$ (18,718)
Due From Other Funds	68,390	-	(5,890)	-	62,500
Accrued Investment Income	(342)	4	(11,073)	-	(11,411)
Other Current Assets	33	-	-	-	33
Increase (Decrease) in Current Liabilities:					
Accounts Payable	(12)	(15)	4,825	-	4,798
Payable to Other Funds	6,006	12	(41,010)	-	(34,992)
Deferred Revenue	(17)	-	-	-	(17)
Compensated Absences Payable	22	-	-	-	22
Depreciation	210	-	-	-	210
Total Items Added (Deducted)	$ 57,896	$ 46	$ (55,517)	$ -	$ 2,425
Total Cash Provided From Operations	$1,197,259	$ 20,687	$ 408,694	$ 646,822	$ 979,818
Other Cash Provided:					
Proceeds from the Sale of Fixed Assets	$ 17	$ -	$ -	$ -	$ 17
Total Other Cash Provided	$ 17	$ -	$ -	$ -	$ 17
Total Cash Provided	$1,197,276	$ 20,687	$ 408,694	$ 646,822	$ 979,835
Cash Applied:					
Investments in Fixed Assets	$ 171	$ -	$ -	$ -	$ 171
Total Cash Applied	$ 171	$ -	$ -	$ -	$ 171
Net Increase in Cash and Investments	$1,197,105	$ 20,687	$ 408,694	$ 646,822	$ 979,664
Cash and Investments, July 1, 1986, as Reported	$6,871,030	$ 223,222	$4,091,207	$ -	$11,185,459
Change in Accounting Principle	-	(104,031)	-	3,164,138	(3,268,169)
Cash and Investments, July 1, 1986, as Restated	$6,871,030	$ 119,191	$ 4,091,207	$ 3,164,138	7,917,290
Cash and Investments, June 30, 1987	$8,068,135	$ 139,878	$4,499,901	$3,810,960	$ 8,896,954

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STATE OF MINNESOTA
DEFINED BENEFIT PENSION FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987
(IN THOUSANDS)

	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION		TEACHERS RETIREMENT ASSOCIATION
	PUBLIC EMPLOYEES RETIREMENT	POLICE AND FIRE	TEACHERS RETIREMENT
ASSETS			
Cash and Investments	$1,181,155	$369,584	$1,833,234
Accounts Receivable	128	216	25,544
Due from Other Funds	205	17	450
Accrued Investment Income	-	-	677
Equity in Investment Trust Funds	1,211,028	116,011	1,674,446
Fixed Assets (Net)	341	-	179
Other Assets	20	-	-
Total Assets	$2,392,877	$485,828	$3,534,530
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 363	$ 23	$ 252
Payable to Other Funds	9,844	1,343	9,415
Deferred Revenue	-	-	-
Compensated Absences Payable	167	-	169
Total Liabilities	$ 10,374	$ 1,366	$ 9,836
Fund Balances:			
Reserved for Pension Benefits	$2,382,503	$484,462	$3,524,694
Total Reserved Fund Balances	$2,382,503	$484,462	$3,524,694
Total Liabilities and Fund Balances	$2,392,877	$485,828	$3,534,530

STATE OF MINNESOTA
DEFINED BENEFIT PENSION FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987
(IN THOUSANDS)

MINNESOTA STATE RETIREMENT SYSTEM					
STATE EMPLOYEES RETIREMENT	STATE PATROL RETIREMENT	JUDICIAL RETIREMENT	ELECTIVE STATE OFFICERS	LEGISLATIVE RETIREMENT	COMBINED TOTALS
$ 937,180	$ 71,115	$ 4,271	$ -	$ -	$4,396,539
4,179	400	16	2	-	30,485
164	65	163	246	3,068	4,378
350	26	1	-	-	1,054
586,695	60,771	14,327	-	8,318	3,671,596
66	-	-	-	-	586
-	-	-	-	-	20
$1,528,634	$132,377	$18,778	$248	$11,386	$8,104,658
$ 178	$ 1	$ -	$ -	$ -	$ 817
1,496	67	34	2	131	22,332
-	-	54	-	-	54
127	-	-	-	-	463
$ 1,801	$ 68	$ 88	$ 2	$ 131	$ 23,666
$1,526,833	$132,309	$18,690	$246	$11,255	$8,080,992
$1,526,833	$132,309	$18,690	$246	$11,255	$8,080,992
$1,528,634	$132,377	$18,778	$248	$11,386	$8,104,658

STATE OF MINNESOTA
DEFINED BENEFIT PENSION FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION		TEACHERS RETIREMENT ASSOCIATION
	PUBLIC EMPLOYEES RETIREMENT	POLICE AND FIRE	TEACHERS RETIREMENT
Operating Revenues:			
Employer Contributions	$ 74,391	$ 18,596	$ 140,533
Employee Contributions	67,945	12,416	72,867
Investment Income	170,898	47,769	244,813
Distributed Investment Trust Fund Income	140,632	12,773	200,210
Other Income	733	598	807
Total Operating Revenues	$ 454,599	$ 92,152	$ 659,230
Operating Expenses:			
Annuity Payments	$ 128,009	$ 11,314	$ 125,152
Refunded Contributions	13,356	1,055	6,857
Interest and Financing Costs	4,303	441	-
Purchased Services	703	48	450
Investment Management Fees	1,910	568	2,854
Salaries and Fringe Benefits	1,887	129	1,513
Depreciation	159	-	29
Supplies and Materials	47	3	19
Other Administrative Expenses	360	30	23
Indirect Costs	65	4	39
Total Operating Expenses	$ 150,799	$ 13,592	$ 136,936
Income Before Operating Transfers	$ 303,800	$ 78,560	$ 522,294
Operating Transfers-In	1,839	77	1,537
Operating Transfers-Out	-	-	-
Net Income	$ 305,639	$ 78,637	$ 523,831
Fund Balances, July 1, 1986	2,076,864	405,825	3,000,863
Fund Balances, June 30, 1987	$2,382,503	$484,462	$3,524,694

STATE OF MINNESOTA
DEFINED BENEFIT PENSION FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

MINNESOTA STATE RETIREMENT SYSTEM					
STATE EMPLOYEES RETIREMENT	STATE PATROL RETIREMENT	JUDICIAL RETIREMENT	ELECTIVE STATE OFFICERS	LEGISLATIVE RETIREMENT	COMBINED TOTALS
$ 42,911	$ 4,778	$ -	$ -	$ -	$ 281,209
40,625	2,164	563	32	430	197,042
122,194	9,201	1,172	-	-	596,047
70,114	7,283	1,530	-	979	433,521
2	-	2,467	100	1,513	6,220
$ 275,846	$ 23,426	$ 5,732	$132	$ 2,922	$1,514,039
$ 57,057	$ 5,431	$ 2,726	$ 97	$ 1,037	$ 330,823
7,996	99	-	17	131	29,511
57	-	1	-	-	4,802
465	6	10	1	12	1,695
1,417	111	7	-	-	6,867
922	48	22	1	22	4,544
22	-	-	-	-	210
13	1	-	-	-	83
-	-	-	-	-	413
28	1	1	-	-	138
$ 67,977	$ 5,697	$ 2,767	$116	$ 1,202	$ 379,086
$ 207,869	$ 17,729	$ 2,965	$ 16	$ 1,720	$1,134,953
1,243	64	-	-	-	4,760
(350)	-	-	-	-	(350)
$ 208,762	$ 17,793	$ 2,965	$ 16	$ 1,720	$1,139,363
1,318,071	114,516	15,725	230	9,535	6,941,629
$1,526,833	$132,309	$18,690	$246	$11,255	$8,080,992

STATE OF MINNESOTA
DEFINED BENEFIT PENSION FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION		TEACHERS RETIREMENT ASSOCIATION
	PUBLIC EMPLOYEES RETIREMENT	POLICE AND FIRE	TEACHERS RETIREMENT
Cash Provided:			
From Operations:			
Net Income	$ 305,639	$ 78,637	$ 523,831
Items Added to (Deducted from) Net Income:			
Decrease (Increase) in Current Assets:			
Accounts Receivable	$ 123	$ 81	$ (16,549)
Due from Other Funds	4	-	69,089
Accrued Investment Income	3	68	(281)
Other Current Assets	(4)	37	-
Increase (Decrease) in Current Liabilities:			
Accounts Payable	78	8	66
Payable to Other Funds	(3,389)	(749)	9,415
Deferred Revenue	-	-	-
Compensated Absences Payable	13	-	6
Depreciation	159	-	29
Total Items Added (Deducted)	$ (3,013)	$ (555)	$ 61,775
Total Cash Provided from Operations	$ 302,626	$ 78,082	$ 585,606
Other Cash Provided:			
Proceeds from the Sale of Fixed Assets	$ 17	$ -	$ -
Total Other Cash Provided	$ 17	$ -	$ -
Total Cash Provided	$ 302,643	$ 78,082	$ 585,606
Cash Applied:			
Investments in Fixed Assets	$ 102	$ -	$ 56
Total Cash Applied	$ 102	$ -	$ 56
Net Increase (Decrease) in Cash and Investments	$ 302,541	$ 78,082	$ 585,550
Cash and Investments, July 1, 1986	2,089,642	407,513	2,922,130
Cash and Investments, June 30, 1987	$2,392,183	$485,595	$3,507,680

STATE OF MINNESOTA
DEFINED BENEFIT PENSION FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	MINNESOTA STATE RETIREMENT SYSTEM				
STATE EMPLOYEES RETIREMENT	STATE PATROL RETIREMENT	JUDICIAL RETIREMENT	ELECTIVE STATE OFFICERS	LEGISLATIVE RETIREMENT	COMBINED TOTALS
$ 208,762	$ 17,793	$ 2,965	$ 16	$1,720	$1,139,363
$ (3)	$ (38)	$ (9)	$ -	$ 1	$ (16,394)
(164)	(65)	(130)	(18)	(326)	68,390
(140)	2	6	-	-	(342)
-	-	-	-	-	33
(62)	(69)	(33)	-	-	(12)
1,434	(714)	34	2	(27)	6,006
-	-	(17)	-	-	(17)
3	-	-	-	-	22
22	-	-	-	-	210
$ 1,090	$ (884)	$ (149)	$(16)	$ (352)	$ 57,896
$ 209,852	$ 16,909	$ 2,816	$ -	$1,368	$1,197,259
$ -	$ -	$ -	$ -	$ -	$ 17
$ -	$ -	$ -	$ -	$ -	$ 17
$ 209,852	$ 16,909	$ 2,816	$ -	$1,368	$1,197,276
$ 13	$ -	$ -	$ -	$ -	$ 171
$ 13	$ -	$ -	$ -	$ -	$ 171
$ 209,839	$ 16,909	$ 2,816	$ -	$1,368	$1,197,105
1,314,036	114,977	15,782	-	6,950	6,871,030
$1,523,875	$131,886	$18,598	$ -	$8,318	$8,068,135

STATE OF MINNESOTA
DEFINED CONTRIBUTION FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987
(IN THOUSANDS)

	MINNESOTA STATE RETIREMENT SYSTEM	TEACHERS RETIREMENT ASSOCIATION	
	UNCLASSIFIED EMPLOYEES RETIREMENT	COLLEGE SUPPLEMENTAL RETIREMENT	COMBINED TOTALS
ASSETS			
Cash and Investments	$ 426	$ 88	$ 514
Accounts Receivable	201	7	208
Equity in Investment Trust Funds	45,828	93,536	139,364
Total Assets	$46,455	$93,631	$140,086
LIABILITIES			
Payable to Other Funds	$ 12	$ -	$ 12
Funds Held in Trust	46,443	93,631	140,074
Total Liabilities	$46,455	$93,631	$140,086

STATE OF MINNESOTA
DEFINED CONTRIBUTION FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUNDS HELD IN TRUST
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	MINNESOTA STATE RETIREMENT SYSTEM	TEACHERS RETIREMENT ASSOCIATION	
	UNCLASSIFIED EMPLOYEES RETIREMENT	COLLEGE SUPPLEMENTAL RETIREMENT	COMBINED TOTALS
Operating Revenues:			
Investment Income	$ 48	$ 10	$ 58
Realized/Unrealized Gain on Investments in Investment Trust Fund	5,080	12,380	17,460
Other Income	-	83	83
Total Operating Revenues	$ 5,128	$12,473	$ 17,601
Operating Expenses:			
Salaries and Fringe Benefits	$ 101	$ 40	$ 141
Purchased Services	51	6	57
Supplies and Materials	1	1	2
Indirect Costs	3	1	4
Total Operating Expenses	$ 156	$ 48	$ 204
Operating Income	$ 4,972	$12,425	$ 17,397
Nonoperating Revenues (Expenses):			
Employer Contributions	$ 3,171	$ 1,343	$ 4,514
Employee Contributions	2,474	1,343	3,817
Refunds	(2,835)	(2,602)	(5,437)
Net Nonoperating Revenues (Expenses)	$ 2,810	$ 84	$ 2,894
Income Before Operating Transfers	$ 7,782	$12,509	$ 20,291
Operating Transfers-In	350	-	350
Net Income	$ 8,132	$12,509	$ 20,641
Funds Held in Trust, July 1, 1986	38,311	81,122	119,433
Funds Held in Trust, June 30, 1987	$46,443	$93,631	$140,074

STATE OF MINNESOTA
DEFINED CONTRIBUTION FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	MINNESOTA STATE RETIREMENT SYSTEM UNCLASSIFIED EMPLOYEES RETIREMENT	TEACHERS RETIREMENT ASSOCIATION COLLEGE SUPPLEMENTAL RETIREMENT	COMBINED TOTALS
Cash Provided:			
From Operations:			
Net Income	$ 8,132	$12,509	$ 20,641
Items Added to (Deducted from) Net Income:			
Decrease (Increase) in Current Assets:			
Accounts Receivable	$ 52	$ (7)	$ 45
Accrued Investment Income	-	4	4
Increase (Decrease) in Current Liabilities:			
Accounts Payable	(15)	-	(15)
Payable to Other Funds	12	-	12
Total Items Added (Deducted)	$ 49	$ (3)	$ 46
Total Cash Provided from Operations	$ 8,181	$12,506	$ 20,687
Cash and Investments, July 1, 1986	38,073	81,118	119,191
Cash and Investments, June 30, 1987	$46,254	$93,624	$139,878

STATE OF MINNESOTA
INVESTMENT TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987
(IN THOUSANDS)

	MINNESOTA SUPPLEMENTAL INVESTMENT	MINNESOTA POST RETIREMENT INVESTMENT	MINNESOTA VARIABLE ANNUITY	COMBINED TOTALS
ASSETS				
Cash	$ -	$ 49	$ -	$ 49
Investments	403,344	3,925,907	170,601	4,499,852
Security Sales Receivable	-	2,369	-	2,369
Due from Other Funds	-	21,727	246	21,973
Accrued Investment Income	2,063	69,974	3	72,040
Total Assets	$405,407	$4,020,026	$170,850	$4,596,283
LIABILITIES				
Accounts Payable	$ 34	$ 236	$ 40	$ 310
Security Purchases Payable	4,581	-	-	4,581
Payable to Other Funds	-	227	-	227
Deferred Revenue	-	895	-	895
Subtotal	$ 4,615	$ 1,358	$ 40	$ 6,013
Funds Held in Trust:				
Funds Held in Trust	$400,293	$3,499,966	$171,630	$4,071,889
Unrealized Market Gains	455	271,809	12,507	284,771
Undistributed Earnings (Losses)	44	246,893	(13,327)	233,610
Net Funds Held in Trust	$400,792	$4,018,668	$170,810	$4,590,270
Total Liabilities	$405,407	$4,020,026	$170,850	$4,596,283

STATE OF MINNESOTA
INVESTMENT TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUNDS HELD IN TRUST
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	MINNESOTA SUPPLEMENTAL INVESTMENT	MINNESOTA POST RETIREMENT INVESTMENT	MINNESOTA VARIABLE ANNUITY	COMBINED TOTALS
Operating Revenues:				
Investment Income	$ 40,926	$ 296,780	$ 25,275	$ 362,981
Realized Gains on Investments:				
Proceeds from Security Sales	$131,707	$1,103,112	$ 30,193	$1,265,012
Cost of Securities Sold	122,143	996,750	27,996	1,146,889
Net Realized Gains	$ 9,564	$ 106,362	$ 2,197	$ 118,123
Unrealized Gains (Losses):				
Beginning of Period	$ 24,157	$ 482,674	$ 14,257	$ 521,088
End of Period	19,335	271,809	12,507	303,651
Decrease in Unrealized Appreciation	$ (4,822)	$ (210,865)	$ (1,750)	$ (217,437)
Total Operating Revenues	$ 45,668	$ 192,277	$ 25,722	$ 263,667
Operating Expenses:				
Investment Management Fees	$ 312	$ 695	$ 426	$ 1,433
Operating Income	$ 45,356	$ 191,582	$ 25,296	$ 262,234
Nonoperating Revenues (Expenses):				
Participant Contributions	$ 27,606	$ 440,115	$ -	$ 467,721
Participant Withdrawals	(18,232)	(245,880)	(1,632)	(265,744)
Net Nonoperating Revenues (Expenses)	$ 9,374	$ 194,235	$ (1,632)	$ 201,977
Net Income	$ 54,730	$ 385,817	$ 23,664	$ 464,211
Funds Held in Trust, July 1, 1986	346,062	3,632,851	147,146	4,126,059
Funds Held in Trust, June 30, 1987	$400,792	$4,018,668	$170,810	$4,590,270

STATE OF MINNESOTA
INVESTMENT TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	MINNESOTA SUPPLEMENTAL INVESTMENT	MINNESOTA POST RETIREMENT INVESTMENT	MINNESOTA VARIABLE ANNUITY	COMBINED TOTALS
Cash Provided:				
From Operations:				
Net Income	$ 54,730	$ 385,817	$ 23,664	$ 464,211
Items Added to (Deducted from) Net Income:				
Decrease (Increase) in Current Assets:				
Security Sales Receivable	$ -	$ (2,369)	$ -	$ (2,369)
Due from Other Funds	-	(5,644)	(246)	(5,890)
Accrued Investment Income	(27)	(11,056)	10	(11,073)
Increase (Decrease) in Current Liabilities:				
Security Purchases Payable	4,580	401	-	4,981
Accounts Payable	(126)	97	(127)	(156)
Payable to Other Funds	-	(40,578)	(432)	(41,010)
Total Items Added (Deducted)	$ 4,427	$ (59,149)	$ (795)	$ (55,517)
Total Cash Provided From Operations	$ 59,157	$ 326,668	$ 22,869	$ 408,694
Cash and Investments, July 1, 1986	344,187	3,599,288	147,732	4,091,207
Cash and Investments, June 30, 1987	$403,344	$3,925,956	$170,601	$4,499,901

STATE OF MINNESOTA
INVESTMENT TRUST FUNDS
COMBINING SCHEDULE OF PARTICIPATION
JUNE 30, 1987
(IN THOUSANDS)

	MINNESOTA SUPPLEMENTAL INVESTMENT	MINNESOTA POST RETIREMENT INVESTMENT	MINNESOTA VARIABLE ANNUITY	COMBINED TOTALS
Defined Benefit Pension Funds:				
Teachers Retirement Association:				
Teachers Retirement	$ -	$1,502,816	$171,630	$1,674,446
Minnesota State Retirement System:				
State Employees Retirement	-	586,695	-	586,695
State Patrol Retirement	-	60,771	-	60,771
Judicial Retirement	-	14,327	-	14,327
Legislative Retirement	-	8,318	-	8,318
Public Employees Retirement Association:				
Public Employees Retirement	-	1,211,028	-	1,211,028
Police and Fire	-	116,011	-	116,011
Subtotal	$ -	$3,499,966	$171,630	$3,671,596
Defined Contribution Funds:				
Minnesota State Retirement System:				
Unclassified Employees Retirement	$ 45,828	$ -	$ -	$ 45,828
Teachers Retirement Association:				
College Supplemental Retirement	93,536	-	-	93,536
Subtotal	$139,364	$ -	$ -	$ 139,364
Agency Fund:				
Deferred Compensation Fund	$117,982	$ -	$ -	$ 117,982
Total State Retirement and Agency Funds	$257,346	$3,499,966	$171,630	$3,928,942
Non-State Funds	142,947	-	-	142,947
Total Funds Held in Trust for Participants	$400,293	$3,499,966	$171,630	$4,071,889
Unrealized Appreciation on Investments	455	271,809	12,507	284,771
Undistributed Earnings (Losses)	44	246,893	(13,327)	233,610
Total Participation and Undistributed Earnings	$400,792	$4,018,668	$170,810	$4,590,270

STATE OF MINNESOTA
INVESTMENT TRUST FUNDS
COMBINING SUMMARY OF INVESTMENTS
JUNE 30, 1987
(IN THOUSANDS)

	MINNESOTA SUPPLEMENTAL INVESTMENT	MINNESOTA POST RETIREMENT INVESTMENT	MINNESOTA VARIABLE ANNUITY	COMBINED TOTALS
Bonds and Other Debt Certificates:				
U.S. Government Obligations	$ 53,673	$2,174,830	$ -	$2,228,503
Canadian Government Obligations	2	126,957	-	126,959
Public Utilities	4,054	172,600	-	176,654
Finance Industry Corporations	7,223	153,193	-	160,416
Industrial Corporations	9,385	245,134	-	254,519
Transportation Industry Corporations	8	25,656	-	25,664
Other Securities	10	272	-	282
Total Bonds and Other Debt Certificates	$ 74,355	$2,898,642	$ -	$2,972,997
Common Stock:				
Public Utilities	$ 24,892	$ 111,234	$ 15,152	$ 151,278
Finance Industry Corporations	34,410	168,733	27,000	230,143
Manufacturing Industry Corporations	96,430	217,630	78,728	392,788
Food Industry Corporations	11,306	12,673	6,741	30,720
Retail Industry Corporations	12,824	47,343	10,090	70,257
Transportation Industry Corporations	12,183	49,429	11,269	72,881
Raw Material Industry Corporations	15,666	48,541	9,777	73,984
Other Industries	13,856	15,081	11,699	40,636
Total Common Stock	$221,567	$ 670,664	$170,456	$1,062,687
Short-Term Securities (Cash Equivalents)	$107,422	$ 356,601	$ 145	$ 464,168
Total Investments	$403,344	$3,925,907	$170,601	$4,499,852

STATE OF MINNESOTA
EXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987
(IN THOUSANDS)

	MUNICIPAL STATE-AID STREET	COUNTY STATE-AID HIGHWAY	ENDOWMENT SCHOOL
ASSETS			
Cash and Investments	$118,893	$178,108	$ -
Accounts Receivable	260	287	-
Due from Other Funds	573	1,896	14,790
Accrued Investment Income	1,667	2,755	-
Federal Aid Receivable	-	-	-
Loans/Notes Receivable	-	-	-
Advances to Other Funds	1,500	2,500	-
Total Assets	$122,893	$185,546	$14,790
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 1,268	$ 13,928	$ -
Payable to Other Funds	110	352	-
Deferred Revenue	-	-	-
Compensated Absences Payable	-	-	-
Advances from Other Funds	-	-	-
Total Liabilities	$ 1,378	$ 14,280	$ -
Fund Balances:			
Reserved Fund Balances:			
Reserved for Encumbrances	$ 637	$ 1,402	$ -
Reserved for Long-Term Receivables	-	-	-
Reserved for Local Governments	120,878	169,864	14,790
Reserved for Other	-	-	-
Total Reserved Fund Balances	$121,515	$171,266	$14,790
Unreserved Fund Balances:			
Designated for Fund Purposes	$ -	$ -	$ -
Undesignated	-	-	-
Total Unreserved Fund Balances	$ -	$ -	$ -
Total Fund Balances	$121,515	$171,266	$14,790
Total Liabilities and Fund Balances	$122,893	$185,546	$14,790

STATE OF MINNESOTA
EXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987
(IN THOUSANDS)

ENDOWMENT	NORTHEAST MINNESOTA ECONOMIC PROTECTION	RURAL REHABILITATION TRUST	UNEMPLOYMENT COMPENSATION	INSURANCE TRUST	COMBINED TOTALS
$6,884	$48,718	$5,100	$ 73,717	$13,353	$444,773
271	191	-	34,741	6,137	41,887
6	-	32	-	-	17,297
10	721	88	199	26	5,466
-	-	-	56	-	56
-	9,163	586	-	-	9,749
-	-	-	-	-	4,000
$7,171	$58,793	$5,806	$108,713	$19,516	$523,228
$ 360	$ 91	$ 88	$ 5,849	$23,120	$ 44,704
-	-	-	-	-	462
-	-	-	1,815	-	1,815
25	24	-	-	10	59
-	-	-	-	546	546
$ 385	$ 115	$ 88	$ 7,664	$23,676	$ 47,586
$ 384	$ 175	$ 153	$ -	$ -	$ 2,751
-	9,087	618	27,435	-	37,140
-	-	-	-	-	305,532
-	5,936	-	-	-	5,936
$ 384	$15,198	$ 771	$ 27,435	$ -	$351,359
$6,402	$43,480	$4,947	$ 73,614	$ -	$128,443
-	-	-	-	(4,160)	(4,160)
$6,402	$43,480	$4,947	$ 73,614	$(4,160)	$124,283
$6,786	$58,678	$5,718	$101,049	$(4,160)	$475,642
$7,171	$58,793	$5,806	$108,713	$19,516	$523,228

STATE OF MINNESOTA
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	MUNICIPAL STATE-AID STREET	COUNTY STATE-AID HIGHWAY	ENDOWMENT SCHOOL
Revenues:			
Unemployment Taxes	$ -	$ -	$ -
Mining Taxes	-	-	-
Insurance Premiums	-	-	-
Federal Revenues	-	-	-
Other Intergovernmental Revenues	-	-	-
Investment Income	6,861	10,362	-
Other Revenues	-	561	-
Gross Revenues	$ 6,861	$ 10,923	$ -
Less Revenue Refunds	-	-	-
Net Revenues	$ 6,861	$ 10,923	$ -
Expenditures:			
Current:			
Protection of Persons and Property	$ -	$ -	$ -
Transportation	514	1,580	-
Resource Management	-	-	-
Economic and Manpower Development	-	-	-
Education	-	-	-
Health and Social Services	-	-	-
General Government	-	-	-
Total Current Expenditures	$ 514	$ 1,580	$ -
Grants and Subsidies	41,652	161,414	29,647
Total Expenditures	$ 42,166	$ 162,994	$ 29,647
Excess of Revenues Over (Under) Expenditures	$(35,305)	$(152,071)	$(29,647)
Other Financing Sources (Uses):			
Operating Transfers-In	$ 52,066	$ 172,196	$ 28,419
Operating Transfers-Out	-	-	-
Net Other Financing Sources (Uses)	$ 52,066	$ 172,196	$ 28,419
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ 16,761	$ 20,125	$ (1,228)
Fund Balances, July 1, 1986, as Reported	$104,754	$ 151,141	$ 16,018
Prior Period Adjustments	-	-	-
Fund Balances, July 1, 1986, as Restated	$104,754	$ 151,141	$ 16,018
Fund Balances, June 30, 1987	$121,515	$ 171,266	$ 14,790

STATE OF MINNESOTA
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

ENDOWMENT	NORTHEAST MINNESOTA ECONOMIC PROTECTION	RURAL REHABILITATION TRUST	UNEMPLOYMENT COMPENSATION	INSURANCE TRUST	COMBINED TOTALS
$ -	$ -	$ -	$ 396,743	$ -	$ 396,743
-	93	-	-	-	93
-	-	-	-	76,538	76,538
-	-	-	19,067	-	19,067
183	-	-	-	-	183
571	3,881	601	4,227	1,497	28,000
6,090	555	-	370	4	7,580
$6,844	$ 4,529	$ 601	$ 420,407	$78,039	$ 528,204
66	3	-	-	-	69
$6,778	$ 4,526	$ 601	$ 420,407	$78,039	$ 528,135
$ 2	$ -	$ 266	$ -	$ -	$ 268
7	-	-	-	-	2,101
251	-	-	-	-	251
60	235	-	-	-	295
2,566	-	-	-	-	2,566
352	-	-	-	-	352
166	-	-	-	85,287	85,453
$3,404	$ 235	$ 266	$ -	$85,287	$ 91,286
2,724	14	303	334,907	-	570,661
$6,128	$ 249	$ 569	$ 334,907	$85,287	$ 661,947
$ 650	$ 4,277	$ 32	$ 85,500	$(7,248)	$(133,812)
$ 30	$ -	$ -	$ -	$ -	$ 252,711
(206)	(964)	(3,500)	-	-	(4,670)
$ (176)	$ (964)	$(3,500)	$ -	$ -	$ 248,041
$ 474	$ 3,313	$(3,468)	$ 85,500	$(7,248)	$ 114,229
$6,312	$55,365	$ 9,186	$ 13,562	$ 3,088	$ 359,426
-	-	-	1,987	-	1,987
$6,312	$55,365	$ 9,186	$ 15,549	$ 3,088	$ 361,413
$6,786	$58,678	$ 5,718	$ 101,049	$(4,160)	$ 475,642

STATE OF MINNESOTA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	BALANCE JULY 1, 1986	INCREASES	DECREASES	BALANCE JUNE 30, 1987
SOCIAL WELFARE				
ASSETS				
Cash and Investments	$ 5,590	$ 18,055	$ 18,099	$ 5,546
Due from Other Funds	2	-	2	-
Accrued Investment Income	107	36	107	36
Total Assets	$ 5,699	$ 18,091	$ 18,208	$ 5,582
LIABILITIES				
Accounts Payable	$ 246	$ 206	$ 243	$ 209
Funds Held in Trust	5,453	17,885	17,965	5,373
Total Liabilities	$ 5,699	$ 18,091	$ 18,208	$ 5,582
DEFERRED COMPENSATION				
ASSETS				
Cash and Investments	$ 97,055	$ 211,526	$ 173,151	$135,430
Accounts Receivable	25	2,363	25	2,363
Equity in Investment Trust Funds	103,533	31,257	16,808	117,982
Total Assets	$200,613	$ 245,146	$ 189,984	$255,775
LIABILITIES				
Accounts Payable	$ 31	$ 6	$ 31	$ 6
Security Purchases Payable	51	-	51	-
Payable to Other Funds	-	16	-	16
Funds Held in Trust	200,531	82,276	27,054	255,753
Total Liabilities	$200,613	$ 82,298	$ 27,136	$255,775
TAXES CLEARING				
ASSETS				
Cash	$ 11,343	$ 316,564	$ 320,804	$ 7,103
Accounts Receivable	-	13	-	13
Due from Other Funds	7,950	-	7,950	-
Total Assets	$ 19,293	$ 316,577	$ 328,754	$ 7,116
LIABILITIES				
Payable to Other Governments	$ 15,576	$ 316,054	$ 328,630	$ 3,000
Funds Held in Trust	3,717	399	-	4,116
Total Liabilities	$ 19,293	$ 316,453	$ 328,630	$ 7,116

STATE OF MINNESOTA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	BALANCE JULY 1, 1986	INCREASES	DECREASES	BALANCE JUNE 30, 1987
DISBURSEMENT CLEARING				
ASSETS				
Cash	$129,129	$ 9,672,841	$ 9,681,069	$120,901
Total Assets	$129,129	$ 9,672,841	$ 9,681,069	$120,901
LIABILITIES				
Warrants Payable	$129,129	$ 9,672,841	$ 9,681,069	$120,901
Total Liabilities	$129,129	$ 9,672,841	$ 9,681,069	$120,901
MISCELLANEOUS AGENCY				
ASSETS				
Cash and Investments	$ 7,404	$ 99,729	$ 96,199	$ 10,934
Accounts Receivable	393	330	470	253
Due from Other Funds	-	42	21	21
Accrued Investment Income	4	18	4	18
Deferred Costs	184	180	184	180
Total Assets	$ 7,985	$ 100,299	$ 96,878	$ 11,406
LIABILITIES				
Accounts Payable	$ 2,196	$ 5,203	$ 2,206	$ 5,193
Payable to Other Funds	692	140	614	218
Payable to Other Governments	99	99	99	99
Funds Held in Trust	4,998	87,390	86,492	5,896
Total Liabilities	$ 7,985	$ 92,832	$ 89,411	$ 11,406
TOTAL AGENCY FUNDS				
ASSETS				
Cash and Investments	$250,521	$10,318,715	$10,289,322	$279,914
Accounts Receivable	418	2,706	495	2,629
Due from Other Funds	7,952	42	7,973	21
Accrued Investment Income	111	54	111	54
Deferred Costs	184	180	184	180
Equity in Investment Trust Funds	103,533	31,257	16,808	117,982
Total Assets	$362,719	$10,352,954	$10,314,893	$400,780
LIABILITIES				
Warrants Payable	$129,129	$ 9,672,841	$ 9,681,069	$120,901
Accounts Payable	2,473	5,415	2,480	5,408
Security Purchases Payable	51	-	51	-
Payable to Other Funds	692	156	614	234
Payable to Other Governments	15,675	316,153	328,729	3,099
Funds Held in Trust	214,699	187,950	131,511	271,138
Total Liabilities	$362,719	$10,182,515	$10,144,454	$400,780

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GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group is maintained to account for fixed assets acquired or constructed for use by the state, other than those accounted for in proprietary and fiduciary funds.

STATE OF MINNESOTA
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCES
JUNE 30, 1987
(IN THOUSANDS)

General Fixed Assets:	
Land	$ 176,979
Buildings	707,299
Equipment	309,027
Construction in Progress	104,603
Total General Fixed Assets	$1,297,908
Investment in General Fixed Assets:	
Investment in Property Acquired Prior to July 1, 1984 - Source Unidentified	$ 921,157
Expenditures from:	
General Fund	51,869
Special Revenue Funds:	
Trunk Highway Fund	145,429
Highway User Tax Distribution Fund	637
Other Transportation Funds	494
Federal Fund	14,994
Environmental Fund	148
Natural Resources Funds	9,901
Special Workers Compensation Fund	309
Iron Range Resources and Rehabilitation Fund	14,946
Appropriated Miscellaneous Special Revenue Funds	569
Nonappropriated Miscellaneous Special Revenue Fund	9,130
Capital Projects Funds:	
General Project Fund	4,070
Building Fund	110,234
Donations	14,021
Total Investment in General Fixed Assets	$1,297,908

STATE OF MINNESOTA
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
JUNE 30, 1987
(IN THOUSANDS)

Function and Activity	LAND	BUILDINGS	EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
Protection of Persons and Property:					
Military Affairs	$ 3,748	$ 34,978	$ 555	$ 10,686	$ 49,967
Public Safety	-	-	25,159	-	25,159
Others	-	-	102	-	102
Total Protection of Persons and Property	$ 3,748	$ 34,978	$ 25,816	$ 10,686	$ 75,228
Transportation:					
Transportation	$ 4,389	$ 73,422	$110,719	$ 4,561	$ 193,091
Others	-	-	14	-	14
Total Transportation	$ 4,389	$ 73,422	$110,733	$ 4,561	$ 193,105
Resource Management:					
Natural Resources	$139,813	$ 25,946	$ 31,225	$ 483	$ 197,467
Pollution Control	-	-	2,982	-	2,982
Others	-	-	134	-	134
Total Resource Management	$139,813	$ 25,946	$ 34,341	$ 483	$ 200,583
Economic and Manpower Development:					
Agriculture	$ -	$ -	$ 1,900	$ -	$ 1,900
Commerce	-	-	692	-	692
Jobs and Training	448	5,939	14,660	-	21,047
Energy and Economic Development	-	-	1,074	-	1,074
Labor and Industry	-	-	2,293	-	2,293
Iron Range Resources and Rehabilitation	182	21,001	2,429	531	24,143
Public Services Commission	-	-	1,235	-	1,235
Others	-	-	508	-	508
Total Economic and Manpower Development	$ 630	$ 26,940	$ 24,791	$ 531	$ 52,892
Education:					
State University System	$ 7,190	$139,749	$ 47,045	$ 18,434	$ 212,418
Community College System	8,720	92,730	17,818	20,521	139,789
Vocational Technical Education	-	-	760	-	760
Education	30	9,840	2,143	-	12,013
Higher Education Coordinating Board	-	-	508	-	508
Others	-	-	116	-	116
Total Education	$ 15,940	$242,319	$ 68,390	$ 38,955	$ 365,604
Health and Social Services:					
Health	$ -	$ -	$ 4,258	$ -	$ 4,258
Human Services	214	146,798	11,665	1,574	160,251
Veterans Affairs	58	17,024	1,085	31	18,198
Corrections	109	71,435	10,043	17,009	98,596
Others	30	-	557	-	587
Total Health and Human Services	$ 411	$235,257	$ 27,608	$ 18,614	$ 281,890
General Government:					
Administration (1)	$ 12,048	$ 68,437	$ 4,691	$ 30,773	$ 115,949
Attorney General	-	-	783	-	783
State Planning	-	-	1,152	-	1,152
Governor	-	-	429	-	429
Legislature	-	-	4,290	-	4,290
Supreme Court	-	-	835	-	835
Revenue	-	-	2,715	-	2,715
Others	-	-	2,453	-	2,453
Total General Government	$ 12,048	$ 68,437	$ 17,348	$ 30,773	$ 128,606
Total General Fixed Assets	$176,979	$707,299	$309,027	$104,603	$1,297,908

(1) Consists primarily of buildings and land located in the capitol complex.

STATE OF MINNESOTA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

Function and Activity	GENERAL FIXED ASSETS JULY 1, 1986	ADDITIONS	DEDUCTIONS/ NET TRANSFERS	ADJUSTMENTS	GENERAL FIXED ASSETS JUNE 30, 1987
Protection of Persons and Property:					
Military Affairs	$ 44,571	$ 5,309	$ 36	$ 123	$ 49,967
Public Safety	23,592	2,769	1,202	-	25,159
Others	107	26	31	-	102
Total Protection of Persons and Property	$ 68,270	$ 8,104	$ 1,269	$ 123	$ 75,228
Transportation:					
Transportation	$ 181,268	$13,474	$ 3,826	$2,175	$ 193,091
Others	14	-	-	-	14
Total Transportation	$ 181,282	$13,474	$ 3,826	$2,175	$ 193,105
Resource Management:					
Natural Resources	$ 189,370	$ 8,893	$ 1,208	$ 412	$ 197,467
Pollution Control	2,870	112	-	-	2,982
Others	136	-	2	-	134
Total Resource Management	$ 192,376	$ 9,005	$ 1,210	$ 412	$ 200,583
Economic and Manpower Development:					
Agriculture	$ 1,743	$ 119	$ (38)	$ -	$ 1,900
Commerce	533	159	-	-	692
Jobs and Training	22,269	545	1,713	(54)	21,047
Energy and Economic Development	845	227	(2)	-	1,074
Labor and Industry	2,388	85	180	-	2,293
Iron Range Resources and Rehabilitation	23,555	1,564	704	(272)	24,143
Public Services Commission	1,119	126	10	-	1,235
Others	472	39	3	-	508
Total Economic and Manpower Development	$ 52,924	$ 2,864	$ 2,570	$ (326)	$ 52,892
Education:					
State University System	$ 194,947	$16,914	$ 1,445	$2,002	$ 212,418
Community College System	133,851	6,333	557	162	139,789
Vocational Technical Education	640	118	(2)	-	760
Education	11,871	177	35	-	12,013
Higher Education Coordinating Board	644	44	180	-	508
Others	101	79	64	-	116
Total Education	$ 342,054	$23,665	$ 2,279	$2,164	$ 365,604
Health and Social Services:					
Health	$ 3,881	$ 377	$ -	$ -	$ 4,258
Human Services	157,858	3,191	774	(24)	160,251
Veterans Affairs	18,056	205	66	3	18,198
Corrections	93,982	4,741	134	7	98,596
Others	722	162	297	-	587
Total Health and Human Services	$ 274,499	$ 8,676	$ 1,271	$ (14)	$ 281,890
General Government:					
Administration (1)	$ 111,511	$ 4,884	$ 165	$ (281)	$ 115,949
Attorney General	816	19	52	-	783
State Planning	1,062	99	9	-	1,152
Governor	385	56	12	-	429
Legislature	3,110	1,180	-	-	4,290
Supreme Court	592	292	49	-	835
Revenue	1,615	1,126	26	-	2,715
Others	1,330	766	(357)	-	2,453
Total General Government	$ 120,421	$ 8,422	$ (44)	$ (281)	$ 128,606
Total General Fixed Assets	$1,231,826	$74,210	$12,381	$4,253	$1,297,908

(1) Consists primarily of buildings and land located in the capitol complex.

GENERAL LONG-TERM OBLIGATION ACCOUNT GROUP

The **General Long-Term Obligation Account Group** accounts for unmatured principal of bonds, notes and other forms of long-term indebtedness which are not accounted for in proprietary or fiduciary funds.

STATE OF MINNESOTA
GENERAL LONG-TERM OBLIGATION ACCOUNT GROUP
STATEMENT OF CHANGES IN GENERAL LONG-TERM OBLIGATIONS
YEAR ENDED JUNE 30, 1987
(IN THOUSANDS)

	BALANCE JULY 1, 1986	INCREASE	DECREASE	BALANCE JUNE 30, 1987
Amount Available and to be Provided for Payment of General Long-Term Obligations:				
Amount Available in Debt Service Fund	$ 95,755	$322,485	$327,600	$ 90,640
Amount to be Provided:				
General Fund	$1,283,603	$548,921	$523,597	$1,308,927
Trunk Highway Fund	115,945	9,429	8,513	116,861
Highway User Tax Distribution Fund	430	17	-	447
Other Transportation Funds	226	16	-	242
Federal Fund	7,689	502	20	8,171
Environmental Fund	121	16	-	137
Natural Resources Funds	3,251	389	204	3,436
Maximum Effort School Loan Fund	22,326	-	1,572	20,754
Special Workers Compensation Fund	616	27	19	624
Iron Range Resources and Rehabilitation Fund	186	20	-	206
Appropriated Miscellaneous Special Revenue Funds	1,211	169	-	1,380
Nonappropriated Miscellaneous Special Revenue Fund	1,529	283	-	1,812
Total Amount to be Provided	$1,437,133	$559,789	$533,925	$1,462,997
Total Amount Available and to be Provided	$1,532,888	$882,274	$861,525	$1,553,637
General Long-Term Obligations Payable:				
Loans Payable	$ 3,048	$ 7,245	$ 394	$ 9,899
Claims and Judgments Payable	20,162	1,372	2,905	18,629
General Obligation Bonds Payable	1,202,536	244,613	309,589	1,137,560
Grants and Subsidies Payable	214,416	286,766	214,416	286,766
Compensated Absences Payable	86,281	8,286	-	94,567
Capital Leases Payable	2,283	89	737	1,635
Pension Liabilities	4,162	419	-	4,581
Total General Long-Term Obligations	$1,532,888	$548,790	$528,041	$1,553,637

GENERAL OBLIGATION
DEBT SCHEDULES

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1988-2007
PRINCIPAL PAYMENTS — BOLD INTEREST PAYMENTS — MEDIUM FACE
($ in Thousands)

Fund & Type	Authorization Year-Chapter	Amount Outstanding 7-1-87	1988	1989	1990	1991	1992
General Fund							
State Building (Voc-Tech)	'75-436	**$ 7,150**	**$ 775**	**$ 775**	**$ 775**	**$ 775**	**$ 775**
			374	334	293	251	207
State Building, Capital Improvement	X'67-8	**7,026**	3,449	**1,789**	**1,789**	—	—
			300	159	53	—	—
	69-1159	**26,734**	**7,336**	**7,336**	**7,336**	**4,725**	—
			1,294	899	504	135	—
	'71-963	**33,762**	**5,368**	**5,368**	**5,368**	**5,368**	**5,368**
			1,382	1,112	841	566	441
	'73-778	**21,161**	**2,329**	**2,329**	**2,329**	**2,329**	**2,329**
			1,045	931	816	699	580
	'74-541	**1,638**	**205**	**205**	**205**	**205**	**205**
			88	77	65	53	41
	'75-436	**8,418**	**847**	**847**	**847**	**847**	**847**
			414	374	333	292	249
	'76-348	**27,118**	**2,693**	**2,693**	**2,693**	**2,693**	**2,693**
			1,316	1,193	1,068	941	810
	'77-421	**4,875**	**375**	**375**	**375**	**375**	**375**
			308	282	260	237	215
	'77-451	**20,370**	**1,743**	**1,743**	**1,743**	**1,743**	**1,743**
			1,078	984	896	807	718
	'78-792	**41,568**	**3,325**	**3,325**	**3,325**	**3,325**	**3,325**
			2,463	2,255	2,067	1,879	1,691
	'79-301	**26,000**	**2,000**	**2,000**	**2,000**	**2,000**	**2,000**
			1,640	1,505	1,365	1,265	1,145
	'79-338	**5,469**	**324**	**324**	**324**	**324**	**324**
			462	435	408	380	353
	'81-4	**4,366**	**325**	**325**	**325**	**325**	**325**
			1,428	401	373	345	317
	'81-304	**7,625**	**449**	**449**	**449**	**449**	**449**
			639	601	564	526	488
	'81-334	**2,973**	**250**	**267**	**283**	**295**	**276**
			233	214	193	171	149
	'81-361	**2,247**	**140**	**140**	**140**	**140**	**140**
			196	184	172	160	148
	'81-362	**14,039**	**1,219**	**1,219**	**1,219**	**1,219**	**1,219**
			1,537	1,431	1,326	1,220	1,113
	'82-639	**779**	**46**	**46**	**46**	**46**	**46**
			65	61	58	59	50
	'83-344	**43,824**	**4,417**	**4,531**	**4,635**	**4,715**	**4,588**
			4,788	4,418	4,039	3,649	3,257
	'84-597	**51,479**	**6,237**	**6,606**	**6,941**	**7,202**	**6,790**
			5,415	4,916	4,386	3,825	3,260
	X'85-15	**57,146**	**6,734**	**7,497**	**8,193**	**8,731**	**7,878**
			4,072	3,582	3,029	2,414	1,795
State School Energy Building Bonds	'83-323	**15,700**	**1,800**	**1,800**	**1,800**	**1,800**	**1,800**
			1,083	887	714	579	453
State Building (Natural Resources)	'75-415	**10,000**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**
			497	448	399	348	296
Pollution Control	X'71-20	**11,888**	**1,738**	**1,738**	**1,738**	**1,738**	**1,738**
			243	215	187	158	128
	'73-771	**9,863**	**1,013**	**1,013**	**1,013**	**1,013**	**1,013**
			486	438	390	341	290
	'75-354	**18,100**	**1,450**	**1,450**	**1,450**	**1,450**	**1,450**
			1,070	979	898	816	734
	'77-418	**650**	**50**	**50**	**50**	**50**	**50**
			41	38	35	32	29
	'79-285	**5,100**	**300**	**300**	**300**	**300**	**300**
			428	402	377	352	326
	'84-597	**16,726**	**1,971**	**2,194**	**2,398**	**2,555**	**2,306**
			1,192	1,048	886	706	525

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1988-2007
PRINCIPAL PAYMENTS — BOLD INTEREST PAYMENTS — MEDIUM FACE
($ in Thousands)

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
$ 775	**$ 775**	**$ 775**	**$ 775**	**$ 175**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
163	119	76	34	9	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2,268	**2,268**	**1,268**	**685**	**435**	—	—	—	—	—	—	—	—	—	—
341	190	95	43	12	—	—	—	—	—	—	—	—	—	—
2,329	**2,329**	**1,829**	**1,566**	**1,358**	**53**	**53**	—	—	—	—	—	—	—	—
459	337	229	141	65	6	3	—	—	—	—	—	—	—	—
205	**205**	**205**	—	—	—	—	—	—	—	—	—	—	—	—
49	16	5	—	—	—	—	—	—	—	—	—	—	—	—
847	**847**	**847**	**847**	**795**	—	—	—	—	—	—	—	—	—	—
205	162	117	72	29	—	—	—	—	—	—	—	—	—	—
2,693	**2,693**	**2,693**	**2,693**	**2,693**	**93**	**93**	—	—	—	—	—	—	—	—
679	544	409	271	132	11	5	—	—	—	—	—	—	—	—
375	**375**	**375**	**375**	**375**	**375**	**375**	**375**	—	—	—	—	—	—	—
192	169	145	122	98	73	49	24	—	—	—	—	—	—	—
1,743	**1,743**	**1,743**	**1,743**	**1,743**	**1,743**	**1,193**	—	—	—	—	—	—	—	—
628	537	445	352	258	164	69	—	—	—	—	—	—	—	—
3,325	**3,325**	**3,325**	**3,325**	**3,325**	**3,325**	**3,325**	**1,663**	—	—	—	—	—	—	—
1,500	1,307	1,112	916	716	515	312	108	—	—	—	—	—	—	—
2,000	**2,000**	**2,000**	**2,000**	**2,000**	**2,000**	**2,000**	**2,000**	—	—	—	—	—	—	—
1,023	899	774	648	520	390	260	130	—	—	—	—	—	—	—
324	**324**	**324**	**324**	**324**	**324**	**324**	**324**	**324**	**324**	**324**	**324**	—	—	—
325	287	270	242	215	187	160	131	102	73	44	15	—	—	—
325	**325**	**325**	**196**	**196**	**196**	**196**	**196**	**196**	**196**	**196**	**196**	—	—	—
289	260	201	147	130	113	97	79	62	44	26	9	—	—	—
449	**449**	**449**	**449**	**449**	**449**	**449**	**449**	**449**	**449**	**449**	**449**	—	—	—
450	411	373	335	297	259	221	182	141	101	61	20	—	—	—
277	**271**	**156**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	—	—	—
127	104	86	75	66	58	49	41	32	23	14	5	—	—	—
140	**140**	**140**	**125**	**125**	**125**	**125**	**125**	**125**	**125**	**125**	**145**	—	—	—
136	124	108	93	83	72	62	51	39	28	17	6	—	—	—
1,219	**1,219**	**1,219**	**476**	**476**	**476**	**476**	**476**	**476**	**476**	**476**	**476**	—	—	—
1,007	900	611	356	315	275	235	193	150	107	64	21	—	—	—
46	**46**	**46**	**46**	**46**	**46**	**46**	**46**	**46**	**46**	**46**	**46**	—	—	—
46	42	38	34	30	26	23	19	14	10	6	2	—	—	—
4,598	**4,557**	**3,783**	**889**	**889**	**889**	**889**	**889**	**889**	**889**	**889**	**889**	—	—	—
2,867	2,471	1,487	665	589	513	438	360	280	200	120	4	—	—	—
6,822	**6,692**	**4,189**	—	—	—	—	—	—	—	—	—	—	—	—
2,704	2,132	920	—	—	—	—	—	—	—	—	—	—	—	—
7,948	**7,676**	**2,491**	—	—	—	—	—	—	—	—	—	—	—	—
1,193	562	119	—	—	—	—	—	—	—	—	—	—	—	—
1,800	**1,800**	**1,800**	**1,300**	—	—	—	—	—	—	—	—	—	—	—
311	206	137	52	—	—	—	—	—	—	—	—	—	—	—
1,000	**1,000**	**1,000**	**1,000**	**1,000**	—	—	—	—	—	—	—	—	—	—
244	191	138	83	28	—	—	—	—	—	—	—	—	—	—
1,738	**488**	**488**	**488**	—	—	—	—	—	—	—	—	—	—	—
98	68	40	13	—	—	—	—	—	—	—	—	—	—	—
1,013	**1,013**	**1,013**	**1,013**	**750**	—	—	—	—	—	—	—	—	—	—
239	186	134	82	38	—	—	—	—	—	—	—	—	—	—
1,450	**1,450**	**1,450**	**1,450**	**1,450**	**1,450**	**1,450**	**700**	—	—	—	—	—	—	—
651	567	482	397	310	222	134	46	—	—	—	—	—	—	—
50	**50**	**50**	**50**	**50**	**50**	**50**	**50**	—	—	—	—	—	—	—
26	22	19	16	13	10	7	3	—	—	—	—	—	—	—
300	**300**	**300**	**300**	**300**	**300**	**300**	**300**	**300**	**300**	**300**	**300**	—	—	—
301	275	250	224	199	173	148	122	95	68	41	14	—	—	—
2,326	**2,247**	**729**	—	—	—	—	—	—	—	—	—	—	—	—
349	164	35	—	—	—	—	—	—	—	—	—	—	—	—

Note: Columns may not add due to rounding.

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1988-2007
PRINCIPAL PAYMENTS — BOLD INTEREST PAYMENTS — MEDIUM FACE
($ in Thousands)

Fund & Type	Authorization Year-Chapter	Amount Outstanding 7-1-87	1988	1989	1990	1991	1992
State Building (Parks & Recreation)	77-421	**$ 29,700**	**$ 2,700**	**$ 2,700**	**$ 2,700**	**$ 2,700**	**$ 2,700**
			1,419	1,297	1,173	1,049	922
State Transportation	76-339	**12,500**	**1,250**	**1,250**	**1,250**	**1,250**	**1,250**
			598	543	486	429	369
	77-277	**28,100**	**2,500**	**2,500**	**2,500**	**2,500**	**2,500**
			1,395	1,275	1,156	1,037	916
	79-260	**23,711**	**2,284**	**2,427**	**2,557**	**2,658**	**2,498**
			1,775	1,607	1,432	1,246	1,058
	80-610	**3,585**	**285**	**285**	**285**	**285**	**285**
			368	344	319	295	270
	84-597	**4,801**	**600**	**600**	**600**	**600**	**600**
			693	640	588	535	481
Vietnam Veterans' Bonus	73-204	**21,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**
			940	797	655	512	367
Waste Management	80-564	**2,098**	**222**	**244**	**265**	**256**	**256**
			155	138	120	100	80
	X 85-15	**2,509**	**296**	**329**	**360**	**383**	**346**
			179	157	133	106	79
Zoological Gardens	73-207	**13,300**	**1,575**	**1,625**	**1,650**	**1,700**	**1,750**
			686	601	513	421	325
Refunding Bonds	85-16A 66	**363,711**	—	—	—	—	—
			26,841	26,841	26,841	26,841	26,841
Exchange Bonds	X 85-15	**6,289**	—	—	—	—	—
			3	3	3	3	3
Total General Fund		**1,015,098**	**74,618**	**74,693**	**76,253**	**73,093**	**66,535**
			69,626	65,050	60,432	55,822	51,518
Trunk Highway Fund	67-873	**6,900**	**5,600**	**1,300**	—	—	—
			168	24	—	—	—
	77-277	**33,200**	**2,500**	**2,500**	**2,500**	**2,500**	**2,500**
			2,168	2,019	1,868	1,716	1,562
	83-17	**22,930**	**2,585**	**2,585**	**2,585**	**2,585**	**2,585**
			1,920	1,693	1,467	1,239	1,010
Refunding Bonds	85-16A 66	**27,925**	—	—	—	—	—
			1,910	1,910	1,910	1,910	1,910
Total Trunk Highway Fund		**90,955**	**10,685**	**6,385**	**5,085**	**5,085**	**5,085**
			6,166	5,646	5,244	4,865	4,482
Employment Services Administration Fund							
State Building, Capital Improvement	X 67-8	**20**	**20**	—	—	—	—
		—	—	—	—	—	—
Total Employment Services Administration Fund		**20**	**20**	—	—	—	—
		—	—	—	—	—	—
Maximum Effort School Loan Fund							
School Loans	67-583	**840**	**280**	**280**	**280**	—	—
			41	25	8	—	—
	69-1056	**7,740**	**1,506**	**1,506**	**1,506**	**486**	**486**
			454	367	281	225	198
	80-545	**1,161**	**286**	**301**	**315**	**326**	**309**
			249	228	206	182	158
Refunding Bonds	85-16A 66	**13,035**	—	—	—	—	—
			1,029	1,029	1,029	1,029	1,029
Total Maximum Effort School Loan Fund		**22,776**	**2,072**	**2,087**	**2,102**	**812**	**795**
			1,561	1,437	1,312	1,223	1,173

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1988-2007

PRINCIPAL PAYMENTS — BOLD INTEREST PAYMENTS — MEDIUM FACE

($ in Thousands)

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
$ 2,700	**$ 2,700**	**$ 2,700**	**$ 2,700**	**$ 2,700**	**$ 2,700**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
794	664	535	402	270	135	—	—	—	—	—	—	—	—	—
1,250	**1,250**	**1,250**	**1,250**	**1,250**	—	—	—	—	—	—	—	—	—	—
310	249	188	125	63	—	—	—	—	—	—	—	—	—	—
2,500	**2,500**	**2,500**	**2,500**	**2,500**	**2,500**	**600**	—	—	—	—	—	—	—	—
793	669	545	419	292	164	35	—	—	—	—	—	—	—	—
2,511	**2,460**	**1,491**	**825**	**825**	**825**	**825**	**825**	**175**	**175**	**175**	**175**	—	—	—
874	682	477	341	285	228	171	113	55	39	24	8	—	—	—
285	**285**	**285**	**145**	**145**	**145**	**145**	**145**	**145**	**145**	**145**	**145**	—	—	—
245	220	161	108	96	84	71	59	46	33	20	7	—	—	—
600	**600**	**600**	—	—	—	—	—	—	—	—	—	—	—	—
428	374	319	—	—	—	—	—	—	—	—	—	—	—	—
3,000	**3,000**	—	—	—	—	—	—	—	—	—	—	—	—	—
221	74	—	—	—	—	—	—	—	—	—	—	—	—	—
258	**250**	**98**	**25**	**25**	**25**	**25**	**25**	**25**	**25**	**25**	**25**	—	—	—
60	39	24	19	17	14	12	10	8	6	3	1	—	—	—
349	**337**	**109**	—	—	—	—	—	—	—	—	—	—	—	—
52	25	5	—	—	—	—	—	—	—	—	—	—	—	—
1,800	**1,875**	**1,175**	**75**	**75**	—	—	—	—	—	—	—	—	—	—
225	121	39	8	4	—	—	—	—	—	—	—	—	—	—
1,585	**16,115**	**27,395**	**41,645**	**40,830**	**39,630**	**39,205**	**38,745**	**30,025**	**23,090**	**25,640**	**18,370**	**12,985**	**4,340**	**4,340**
26,841	26,241	24,805	22,387	19,432	16,487	13,582	10,672	8,075	6,028	4,110	2,377	156	1,144	469
—	—	—	—	—	—	—	—	**3,150**	**3,150**	—	—	—	—	—
3	3	3	3	3	3	3	2	2	1	—	—	—	—	—
65,219	**77,979**	**72,614**	**71,380**	**67,405**	**57,820**	**52,245**	**47,435**	**36,425**	**29,490**	**28,890**	**21,620**	**12,985**	**4,340**	**4,340**
47,350	**42,631**	**35,811**	**29,225**	**24,612**	**20,194**	**16,143**	**12,345**	**9,101**	**6,760**	**4,548**	**2,524**	**1,114**	**469**	**156**
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2,500	**2,500**	**2,500**	**2,500**	**2,500**	**2,500**	**950**	**950**	**950**	**950**	**950**	**950**	—	—	—
1,408	1,253	1,098	941	784	626	468	385	299	214	128	43	—	—	—
2,585	**2,585**	**2,585**	**250**	**250**	**250**	**250**	**250**	**250**	**250**	**250**	**250**	—	—	—
781	550	316	187	166	144	123	101	79	56	34	11	—	—	—
215	**2,195**	**2,125**	**3,245**	**3,205**	**3,160**	**3,110**	**3,055**	**1,880**	**1,335**	**1,320**	**1,310**	**590**	**590**	**590**
1,903	1,829	1,693	1,518	1,302	1,084	866	650	477	364	269	175	106	64	21
5,300	**7,280**	**7,210**	**5,995**	**5,955**	**5,910**	**4,310**	**4,255**	**3,080**	**2,535**	**2,520**	**2,510**	**590**	**590**	**590**
4,092	3,632	3,107	2,646	2,252	1,854	1,457	1,136	855	634	431	229	106	64	21
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
486	**486**	**486**	**486**	**486**	**186**	**186**	**111**	**51**	—	—	—	—	—	—
171	144	117	89	61	36	24	11	2	—	—	—	—	—	—
310	**305**	**199**	**149**	**149**	**149**	**149**	**149**	**149**	—	—	—	—	—	—
134	109	88	73	60	47	33	20	7	—	—	—	—	—	—
25	**245**	**235**	**360**	**815**	**1,635**	**1,635**	**1,625**	**1,480**	**1,390**	**1,630**	**960**	**870**	**65**	**65**
1,028	1,020	1,004	985	843	850	722	539	469	353	228	121	46	7	2
796	**791**	**686**	**635**	**1,095**	**1,620**	**1,625**	**1,545**	**1,470**	**1,240**	**1,485**	**815**	**805**	—	—
1,122	1,090	1,021	978	919	813	683	552	425	312	198	102	34	—	—

Note: Columns may not add due to rounding.

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1988-2007
PRINCIPAL PAYMENTS — BOLD INTEREST PAYMENTS — MEDIUM FACE
($ in Thousands)

Fund & Type	Authorization Year-Chapter	Amount Outstanding 7-1-87	1988	1989	1990	1991	1992
Family Farm Security							
Loan Bond Fund							
Family Farm Security	x-86-2	**$ 8,000**	**$ —**	**$ —**	**$ 8,000**	**$ —**	**$ —**
			580	580	339	—	—
Total Family Farm Security		**8,000**	**—**	**—**	**4,000**	**—**	**—**
		—	**580**	**580**	**339**	—	—
State University Board							
Revenue Bond Fund	69-1152	**7,790**	**400**	**420**	**2,855**	4,115	—
			430	407	313	222	—
	73-759	**5,225**	**200**	**200**	**200**	**200**	**200**
			261	251	241	231	221
Total State University Board		**13,015**	**600**	**620**	**3,055**	**4,315**	**200**
Revenue Bond Fund			691	658	554	453	221
Game and Fish Fund	79-338	**508**	**3**	**3**	**3**	**3**	**3**
			37	37	37	37	37
Total Game and Fish Fund		**508**	**3**	**3**	**3**	**3**	**3**
			37	37	37	37	37
Total Principal — All Funds		**1,150,370**	**87,795**	**83,585**	**94,295**	**83,105**	**72,415**
Total Interest — All Funds			75,065	69,826	64,352	58,850	53,896
Total Debt Service — All Funds (1)			**162,860**	**153,411**	**158,647**	**141,955**	**126,311**

(1) The Total Debt Service — All Funds does not include $40,950,000 of Bonds dated August 1, 1981; $49,600,000 of bonds dated May 1, 1982; $46,500,000 of bonds dated August 1, 1982; $63,000,000 of bonds dated November 1, 1980; $105,500,000 of bonds dated March 1, 1984; and $48,300,000 of bonds dated July 2, 1984, for which funds are held in escrow, have been invested and will be sufficient to pay the principal of, and interest on, the bonds to their earliest call date.

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1988-2007
PRINCIPAL PAYMENTS BOLD INTEREST PAYMENTS — MEDIUM FACE
($ in Thousands)

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
200	**4,025**	—	—	—	—	—	—	—	—	—	—	—	—	—
210	103	—	—	—	—	—	—	—	—	—	—	—	—	—
200	**4,025**	—	—	—	—	—	—	—	—	—	—	—	—	—
210	103	—	—	—	—	—	—	—	—	—	—	—	—	—
3	**23**	**42**	**57**	**55**	**50**	**50**	**50**	**45**	**36**	**34**	**24**	**17**	**5**	**5**
36	36	33	30	26	22	18	14	11	8	5	3	1	1	0
3	**23**	**42**	**57**	**55**	**50**	**50**	**50**	**45**	**36**	**34**	**24**	**17**	**5**	**5**
36	36	33	30	26	22	18	14	11	8	5	3	1	1	0
71,340	**90,140**	**80,565**	**78,195**	**74,635**	**65,525**	**58,350**	**53,400**	**41,000**	**33,425**	**33,050**	**25,100**	**14,450**	**5,000**	**5,000**
49,291	43,960	38,244	32,932	27,858	22,927	18,341	14,084	10,429	7,749	5,210	2,875	1,297	540	180
120,631	**134,100**	**118,809**	**111,127**	**102,493**	**88,452**	**76,691**	**67,484**	**51,429**	**41,174**	**38,260**	**27,975**	**15,747**	**5,540**	**5,180**

Note: Columns may not add due to rounding.

STATE OF MINNESOTA
AUTHORIZED BUT UNISSUED GENERAL OBLIGATION DEBT
BY PURPOSE AS OF JULY 1, 1987
(In Thousands)

Authorization	Type	Total Authorized	Components/Purpose	Amounts Authorized	Issued	Net Authorized Unissued
1971-856(1)	Municipal Aid	$ 4,330	Municipal Aid	$ 4,330	$ 0	$ 4,330
M.S. 116.18	Water Pollution Control	156,000	Prevention, Control, Abatement of Water Pollution	156,000	140,100	15,900
1979-280	Transportation	52,000	County, Municipal and Township Bridges	52,000	50,000	2,000
1979-300(3)	Building	3,264	Public Dam Reconstruction	3,264	3,135	129
1980-545	School Loans	20,000	Acquisition and Betterment of Public School Land and Buildings	20,000	15,025	4,975
1980-564	Waste Management	15,000	Waste Processing Facility Assistance	8,800		
			Acquisition of Real Property for Hazardous Waste Facility Sites	6,200	7,600	7,400
1981-334(1)	Building	46,315	District Heating System	46,315	4,435	41,880
1983-323	Building	30,000	School Energy	30,000	23,000	7,000
1984-597(3)	Building	126,772.5	Administration	5,570		
			Natural Resources	6,798		
			Iron Range Resources and Rehabilitation Board	1,120		
			Military Affairs	363		
			Historical Society	3,000		
			Education	7,706		
			Community Colleges	20,970.5		
			State Universities	15,760		
			University of Minnesota	55,951		
			Capitol Area Architectural Planning Board	1,550		
			Corrections	100		
			Supreme Court	200		
			Human Services	280		
			Interest Rate Reduction	7,230		
			Other	154	74,473	52,299.5
1984-597	Transportation	16,000	Railroad Rehabilitation	12,000		
			Local Interstate Substitution	4,000	9,000	7,000
x1985-15	Building	154,865	Supreme Court	2,450		
			Administration	7,778		
			Natural Resources	10,915		
			Energy and Economic Development	28,975		
			Military Affairs	1,130		
			Agriculture	1,500		
			Historical Society	5,700		
			Education	515		
			Vocational Technical Education	7,088		
			Community Colleges	4,807		
			State Universities	12,589		
			University of Minnesota	71,243		
			Other	175	61,500	93,365
x1985-15	Transportation	2,035	Interstate Substitution	2,035	0	2,035
x1985-15	Waste Management	11,400	Waste Processing Facility Assistance	11,400	2,700	8,700
1986-383	Reinvest In Minnesota	16,000	Agriculture	10,000		
			Natural Resources	6,000	0	16,000

STATE OF MINNESOTA
AUTHORIZED BUT UNISSUED GENERAL OBLIGATION DEBT
BY PURPOSE AS OF JULY 1, 1987
(In Thousands)

Authorization	Type	Total Authorized	Components/Purpose	Amounts Authorized	Issued	Net Authorized Unissued
1986-398	Rural Finance Authority	50,000	Farm Loan Restructuring	50,000	0	50,000
X1986-2	Family Farm Security	20,000	Family Farm Security Loan Guaranty Program	20,000	8,000	12,000
1987-400	Building	370,972.2	Supreme Court	32,500		
			Administration	19,656.8		
			Capital Area Architectual Planning Board	300		
			Natural Resources	16,770		
			Energy & Economic Development	46,250		
			Iron Range Resources and Rehabilitation Board	2,200		
			Military Affairs	2,500		
			Veterans Affairs	2,500		
			Historical Society	54,284		
			Education	10,981		
			Vocational Technical Education	33,198.1		
			Community College	34,960		
			State Universities	52,491.2		
			University of Minnesota	47,779.7		
			Corrections	2,274.4		
			Human Services	7,875		
			Minnesota Center for the Arts	4,000		
			Other	452	0	370,972.2
1987-400	Transportation	8,800	County Municipal Township Bridges	8,800	0	8,800
1987-400	Waste Management	4,000	Waste Processing Facility Assistance	4,000	0	4,000
1987-400	Water Pollution Control	66,747	Prevention, Control, Abatement of Water Pollution	66,747	0	66,747
1987-400	Reinvest in Minnesota	19,000	Agriculture	9,000		
			Natural Resources	10,000	0	19,000
X1987-3	Building	435	Administration	435	0	435
	Total Authorized, Unissued(2)					$ 794,967.7

(1) Laws 1984, Chapter 597 reduced Building Bond authorizations as follows: Laws 1981, Chapter 334 by $3,685,000; and Laws 1983, Chapter 344 by $7,660,000. Laws 1984, Chapter 597 also reduced the Municipal Aid Bonds authorization in Laws 1971, Chapter 856 by $15,670,000.

(2) Laws 1984, Chapter 597 authorizes the increase of all authorized and unissued bonds, as authorized before 1984, by 5 percent for payments made under contracts for interest rate reduction measures.

(3) Special Session Laws 1985, Chapter 15 reduced Building Bond authorizations as follows: Laws 1979, Chapter 300 by $511,000 and Laws 1984, Chapter 597 by $767,500.

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STATISTICAL SECTION

The following usual statistical tables are not included because they are not applicable to the state's operations: all tables relating to property tax levies and collections; computation of legal debt margin, and computation of overlapping debt. Minnesota data privacy laws prevent disclosure of the names of principal taxpayers.

GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
FISCAL YEARS 1978-1987
(In Thousands)

	1978	1979	1980	1981
Individual Income Taxes	$1,385,963	$1,640,604	$1,749,125	$1,892,685
Corporate Income Taxes	293,646	347,284	375,510	352,462
Sales Tax	539,387	610,473	652,442	690,765
Gross Earnings Taxes	120,174	137,492	133,470	141,268
Motor Vehicle Excise Tax	84,347	96,967	88,771	87,227
Motor Vehicle Licenses	111,430	116,703	128,998	136,570
Gasoline and Special Fuel Taxes	217,860	228,716	215,875	241,715
Other Taxes	319,051	392,041	388,185	356,502
Federal Grants	865,466	958,880	1,133,867	1,309,202
Other Revenue	230,648	257,555	286,192	314,341
Gross Revenue	$4,167,972	$4,786,715	$5,152,435	$5,522,737
Less Revenue Refunds	236,462	286,717	416,918	433,846
Net Revenue	$3,931,510	$4,499,998	$4,735,517	$5,088,891

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION & NET TRANSFERS-OUT (1)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
FISCAL YEARS 1978-1987
(In Thousands)

	1978	1979	1980	1981
Current Expenditures:				
Protection of Persons/Property	$ 57,322	$ 61,918	$ 67,431	$ 74,228
Transportation	134,054	144,073	155,287	160,639
Resource Management	55,069	61,676	68,858	79,807
Economic/Manpower Development	60,904	84,493	97,578	108,508
Education	157,037	167,373	187,577	199,967
Health and Social Services	201,745	205,024	225,037	243,305
General Government	78,848	81,671	90,175	94,704
Capital Outlay	194,686	98,382	272,885	242,500
Debt Service	85,415	99,856	103,899	121,051
Grants and Subsidies	2,876,802	3,127,424	3,482,126	3,747,219
Total Expenditures	$3,901,882	$4,131,890	$4,750,853	$5,071,928
Net Operating Transfers-Out	169,163 (2)	120,205	278,594	150,172
Total Expenditures and Net Transfers-Out	$4,071,045	$4,252,095	$5,029,447	$5,222,100

(1) Revenues and expenditures are accounted for on the modified accrual basis for fiscal years 1980-1987 and on the budgetary basis for fiscal years 1978 & 1979.

(2) Net operating transfers-out are reduced by bond proceeds of the Special Revenue Funds for the following years:

1978	$31,000,000
1984	40,000,000
1985	35,000,000
1986	1,250,000
1987	8,000,000

GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
FISCAL YEARS 1978-1987
(In Thousands)

1982	1983	1984	1985	1986	1987
$1,992,351	$2,304,202	$2,642,957	$2,638,570	$2,488,268	$2,757,164
358,300	287,296	340,027	420,235	403,121	501,091
879,288	1,013,837	1,264,135	1,357,131	1,374,652	1,478,303
139,185	176,160	147,128	133,041	160,611	223,995
103,888	123,897	179,188	197,213	207,774	225,617
153,447	178,016	198,685	228,017	239,409	259,112
280,174	282,485	348,081	360,517	342,349	361,386
378,796	360,061	355,369	409,425	353,868	336,660
1,213,462	1,237,041	1,395,774	1,462,835	1,724,286	1,765,052
345,318	405,644	465,383	640,057	537,426	522,133
$5,844,209	$6,368,639	$7,336,727	$7,847,041	$7,831,764	$8,430,513
405,577	463,509	451,801	558,406	683,744	574,815
$5,438,632	$5,905,130	$6,884,926	$7,288,635	$7,148,020	$7,855,698

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION & NET TRANSFERS-OUT (1)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
FISCAL YEARS 1978-1987
(In Thousands)

1982	1983	1984	1985	1986	1987
$ 77,322	$ 80,146	$ 87,285	$ 94,708	$ 103,018	$ 105,574
171,483	185,370	205,123	219,422	223,550	241,552
83,735	90,298	99,045	109,707	115,351	123,411
108,738	112,327	131,407	139,395	150,968	159,967
300,333	238,945	299,428	293,380	305,576	324,758
251,701	269,724	306,188	324,254	348,992	367,186
101,976	114,661	117,542	136,136	142,766	146,419
181,532	158,543	236,173	348,670	384,850	408,734
154,413	222,010	164,178	289,324	165,934	181,697
4,405,069	3,668,006	4,625,102	4,953,819	5,138,516	5,480,781
$5,836,302	$5,140,030	$6,271,471	$6,908,815	$7,079,521	$7,540,079
180,364	148,699	179,230 (2)	197,735 (2)	207,311 (2)	238,639 (2)
$6,016,666	$5,288,729	$6,450,701	$7,106,550	$7,286,832	$7,778,718

ASSESSED VALUE OF TAXABLE PROPERTY
1978-1987

Year of Assessment	Real Property	Personal Property	Total Assessed Value	Percentage Increase Per Year
1978	$15,477,077,792	$444,909,746	$15,921,987,538	8.82%
1979	17,614,740,615	473,975,146	18,088,715,761	13.61
1980	21,369,562,328	515,956,691	21,885,519,019	20.99
1981	24,355,839,165	657,198,624	25,013,037,789	14.29
1982	26,859,320,940	719,236,489	27,578,557,429	10.26
1983	27,603,262,506	769,544,956	28,372,807,462	2.88
1984	28,146,965,204	797,750,660	28,944,715,864	2.02
1985	28,412,803,371	828,890,699	29,241,694,070	1.03
1986	28,589,100,164	857,267,746	29,446,367,910	0.70
1987 (Est)	27,974,932,000	857,267,000	28,832,199,000	(2.09)

Source: Minnesota Department of Revenue.

MARKET VALUE OF TAXABLE PROPERTY
1978-1987

Year of Assessment	Real Property	Personal Property	Total Market Value	Percentage Increase Per Year
1978	$ 50,734,390,752	$1,052,941,093	$ 51,787,331,845	14.49%
1979	64,409,727,924	1,127,182,828	65,536,910,752	26.55
1980	90,485,938,695	1,223,819,987	91,709,758,682	39.94
1981	103,331,241,893	1,557,557,879	104,888,799,772	14.37
1982	113,238,393,070	1,704,442,662	114,942,835,732	9.59
1983	118,297,105,953	1,822,351,991	120,119,457,944	4.50
1984	120,668,207,126	1,892,326,701	122,560,533,827	2.03
1985	121,217,292,475	1,967,183,838	123,184,476,313	0.51
1986	119,726,713,732	2,033,815,060	121,760,528,792	(1.16)
1987 (Est)	118,183,383,000	2,033,166,000	120,216,549,000	(1.27)

Source: Minnesota Department of Revenue.

SCHEDULE OF RATIO OF GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE
OF TAXABLE PROPERTY AND GENERAL OBLIGATION BONDED DEBT PER CAPITA

Year	General Obligation Bonded Debt (In Thousands)	Percent Debt to Assessed Value(1)	Bonded Debt Per Capita
1978	$ 792,013	5.12%	$197.8
1979	819,003	4.65	202.8
1980	863,725	4.04	211.9
1981	885,412	3.64	215.3
1982	937,619	3.49	226.9
1983	921,800	3.34	222.4
1984	1,057,945	3.76	254.2
1985	1,130,155	3.98	269.7
1986	1,202,536	4.21	285.4
1987	1,137,560	4.07	266.5

(1) Includes real property only.

SCHEDULE OF RATIO OF ANNUAL DEBT SERVICE FOR GENERAL OBLIGATION
BONDED DEBT TO GENERAL EXPENDITURES
FISCAL YEARS 1978-1987
(In Thousands)

Year	Principal	Interest	Total Debt Service	General Expenditures (1)	Percent of Expenditures
1978	$56,154	$27,451	$ 83,605	$3,901,882	2.14%
1979	61,510	36,089	97,599	4,131,890	2.36
1980	65,278	38,247	103,525	4,750,853	2.18
1981	68,313	46,413	114,726	5,071,928	2.26
1982	72,793	49,667	122,460	5,836,302	2.10
1983	78,819	59,042	137,861	5,140,030	2.68
1984	77,855	61,486	139,341	6,271,471	2.22
1985	84,890	71,578	156,468	6,908,815	2.26
1986	85,860	74,943	160,803	7,079,521	2.27
1987	92,665	82,515	175,180	7,540,078	2.32

(1) Includes the General, Special Revenue and Debt Service Funds.

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
HOUSING FINANCE AGENCY
PROGRAMS FUND
FISCAL YEARS 1978-1987
(Dollars in Thousands)

Year	Loan Repayments	Gross Revenue (1)	Direct Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage (3)
1978	$ 20,963	$ 33,602	$ 710	$ 53,855	$ 52,543	$ 26,946	$ 79,489	0.68
1979	23,079	60,750	1,126	82,703	14,336	44,400	58,736	1.41
1980	19,689	72,438	1,581	90,546	16,725	52,465	69,190	1.31
1981	22,338	92,030	2,023	112,345	23,797	67,471	91,268	1.23
1982	39,842	102,180	2,284	139,738	28,771	74,182	102,953	1.36
1983	34,569	112,973	5,275	142,267	92,907	92,612	185,519	0.77
1984	46,648	127,350	3,416	170,582	37,675	104,467	142,142	1.20
1985	40,750	148,800	3,448	186,102	52,695	120,173	172,868	1.08
1986	69,833	156,115	4,820	221,128	54,934	132,598	187,532	1.18
1987	111,348	150,986	6,584	255,750	172,229	124,709	296,938	0.86

(1) Gains (Losses) on revenue bond refundings are included.
(2) Depreciation and amortization expenses are not included.
(3) Other sources of funds not reflected above for revenue bond coverage are: federal grants and subsidies, state appropriations and fund reserves.

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
HIGHER EDUCATION FACILITIES AUTHORITY
FISCAL YEARS 1978-1987
(Dollars in Thousands)

Year	Loan Repayments	Gross Revenue (1)	Direct Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage (3)
1978	$ -	$4,537	$ 25	$4,512	$ 1,600	$2,883	$ 4,483	1.01
1979	-	5,580	129	5,451	1,825	3,104	4,929	1.11
1980	2,223	4,443	114	6,552	1,860	4,037	5,897	1.11
1981	1,924	4,848	157	6,615	1,975	4,468	6,443	1.03
1982	2,016	4,941	55	6,902	2,240	4,562	6,802	1.01
1983	2,783	6,509	130	9,162	2,460	5,988	8,448	1.08
1984	2,181	7,929	144	9,966	9,535	7,606	17,141	0.58
1985	1,978	8,067	158	9,887	10,285	7,602	17,887	0.55
1986	1,936	7,788	145	9,579	2,305	7,049	9,354	1.02
1987	2,598	7,999	195	10,402	5,825	7,254	13,079	0.80

(1) Investment income from nonoperating revenues is included.
(2) Depreciation and amortization expenses are not included.
(3) Other sources of funds not reflected above for revenue bond coverage are state appropriations and fund reserves.

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
STATE UNIVERSITY BOARD REVENUE FUND
FISCAL YEARS 1978-1987
(Dollars in Thousands)

Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1978	$17,403	$13,693	$3,710	$1,235	$2,499	$3,734	0.99
1979	20,051	12,583	7,468	1,345	2,444	3,789	1.97
1980	21,125	12,246	8,879	1,345	2,602	3,947	2.25
1981	22,856	14,695	8,161	1,395	2,417	3,812	2.14
1982	25,424	18,695	6,729	1,450	2,353	3,803	1.77
1983	26,113	19,951	6,162	1,552	2,286	3,838	1.61
1984	26,487	20,877	5,610	1,500	2,217	3,717	1.51
1985	29,642	21,546	8,096	1,565	2,136	3,701	2.19
1986	29,891	22,247	7,644	1,605	2,061	3,666	2.09
1987	31,695	22,637	9,058	1,655	1,983	3,638	2.49

(1) Proceeds from grants and subsidies and investment income from nonoperating revenues are included.
(2) Depreciation and amortization expenses are not included.

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
HIGHER EDUCATION COORDINATING BOARD
STUDENT LOAN FUND
FISCAL YEARS 1978-1987
(Dollars in Thousands)

Year	Loan Repayments	Gross Revenue (1)	Direct Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
1978	$ N/A (3)	$ 6,552	$ 586	$ 5,966	$ -	$ 2,663	$ 2,663	2.24
1979	31,301	8,659	749	39,211	-	3,085	3,085	12.71
1980	5,626	17,639	1,356	21,909	-	7,571	7,571	2.89
1981	5,687	33,559	2,414	36,832	-	13,642	13,642	2.70
1982	10,206	49,055	3,436	55,825	5,000	23,786	28,786	1.94
1983	25,908	43,434	4,678	64,664	9,000	27,580	36,580	1.77
1984	55,103	50,696	5,486	100,313	66,600	30,026	96,626	1.04
1985	103,416	52,408	5,092	150,732	108,500	29,060	137,560	1.10
1986	47,014	51,049	5,232	92,831	20,720	22,524	43,244	2.15
1987	29,449	36,295	5,359	60,385	20,585	19,806	40,391	1.50

(1) Proceeds from nonstate grants and subsidies are included. Also included are gains (losses) on revenue bond refundings and investment income from nonoperating revenues.
(2) Depreciation and amortization expenses are not included.
(3) Not Available.

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY
FISCAL YEARS 1985-1987
(Dollars in Thousands)

Year	Loan Repayments	Gross Revenue (2)	Direct Operating Expenses	Net Available For Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
1985 (1)	$ -	$ 3,071	$2,195	$ 876	$ -	$ 372	$ 372	2.35
1986	529	8,827	4,521	4,835	120	4,696	4,816	1.00
1987	1,269	12,297	3,472	10,094	575	8,564	9,139	1.10

(1) First year revenue bonds were issued.
(2) Investment income from nonoperating revenues is included.

MINNESOTA BANK DEPOSITS AND GROSS RETAIL SALES
(In Millions)

Year	Bank Deposits	Retail Sales
1978	$20,517	$15,456
1979	22,927	17,869
1980	25,463	18,917
1981	27,415	20,115
1982	30,028	20,833
1983	33,946	23,394
1984	37,263	26,186
1985	39,236	26,974
1986	41,601	28,723
1987	N/A	N/A

Sources: Federal Deposit Insurance Corporation.
Minnesota Department of Revenue, Unpublished.

MINNESOTA POPULATION, PER CAPITA PERSONAL INCOME AND UNEMPLOYMENT RATE

Year	Population (In Thousands)	Personal Income	Unemployment Rate
1978	4,005	$ 8,242	3.8%
1979	4,038	9,226	4.2
1980	4,085	10,062	5.9
1981	4,113	11,017	5.5
1982	4,133	11,549	7.8
1983	4,146	12,076	8.2
1984	4,164	13,402	6.3
1985	4,191	14,147	6.0
1986	4,214	14,994	5.3
1987 (Est)	4,268	15,510	4.8

Source: U.S. Department of Commerce.
Minnesota Department of Finance.
Minnesota Department of Jobs & Training.

NEW HOUSING UNITS AUTHORIZED IN PERMIT-ISSUING LOCALITIES
(In Thousands)

YEAR	VALUATION	YEAR	VALUATION
1978	$1,438,768	1983	$1,321,444
1979	1,227,351	1984	1,456,444
1980	974,133	1985	1,650,678
1981	840,449	1986	2,141,579
1982	909,185	1987	N/A

Source: U.S. Bureau of the Census Construction Reports.

EMPLOYMENT MIX IN MINNESOTA
(In Thousands)

Category	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987 (Est)
Manufacturing Durable	214.8	234.0	225.7	219.6	206.6	205.5	226.4	226.3	219.0	216.8
Manufacturing Non-Durable	143.5	147.6	145.5	144.4	140.2	140.6	147.4	149.0	150.0	154.2
Mining	16.5	17.2	15.6	15.6	9.5	8.4	9.4	8.3	6.5	6.8
Construction	79.6	83.2	76.5	67.7	59.9	60.4	67.6	71.3	74.6	74.0
Transportation/Public Utilities	94.2	100.3	99.1	97.4	93.1	92.7	96.9	98.4	97.5	98.5
Trade	425.5	443.1	442.8	439.9	429.5	430.3	455.8	465.6	470.4	479.9
Finance/Insurance/Real Estate	86.4	91.5	94.8	97.8	98.2	101.2	106.1	110.3	116.3	118.8
Service	331.5	354.4	369.7	379.9	380.8	392.4	416.6	434.4	447.8	465.2
Government	290.8	295.6	300.6	299.0	289.6	286.6	293.7	301.2	309.1	313.5
Agriculture	120.6	124.5	123.8	122.3	121.2	97.2	115.1	113.1	96.0	92.0
Total Employed	1,803.4	1,891.4	1,894.1	1,883.6	1,828.6	1,815.3	1,935.0	1,977.9	1,987.2	2,019.7

Source: Minnesota Department of Jobs & Training.

AVERAGE DAILY PUBLIC SCHOOL MEMBERSHIP

School Year	Kindergarten	Elementary	Secondary	Total All Grades
1977-78	55,504	345,090	430,656	831,250
1978-79	53,528	336,428	413,356	803,312
1979-80	50,947	326,716	394,438	772,101
1980-81	52,732	319,096	379,545	751,373
1981-82	52,143	309,421	367,541	729,105
1982-83	54,130	297,255	359,585	710,970
1983-84	56,006	290,904	353,273	700,183
1984-85	58,129	292,873	344,817	695,819
1985-86	61,151	301,282	336,573	699,006
1986-87(Est)	60,952	313,931	329,372	704,255

Source: Minnesota Department of Education.

MINNESOTA BASED CORPORATIONS INCLUDED IN THE FORTUNE 500
(Dollars in Thousands)

Rank 1986	Rank 1985	Company	Sales	Assets	Rank	Net Income	Rank
39	47	Minnesota Mining & Manufacturing	$8,602,000	$7,348,000	43	$ 779,000	13
52	56	Honeywell	7,086,700	5,139,000	59	(398,100)	473
61	80	Pillsbury	5,848,000	3,658,800	88	208,100	82
80	64	General Mills	4,587,000	2,086,200	156	183,500	94
119	106	Control Data	3,346,700	2,594,900	126	(264,500)	468
167	164	Land O'Lakes	2,215,123	644,133	348	N/A	-
181	235	Geo. A. Hormel	1,960,237	584,744	366	39,079	267
240	274	International Multifoods	1,355,400	625,958	352	24,939	320
260	250	Farmers Union Central Exchange	1,220,000	665,242	339	N/A	-
269	267	Minstar	1,156,000	1,154,922	241	738	406
334	368	Deluxe Check Printers	866,800	660,969	341	121,109	132
335	362	Bemis	864,700	495,472	388	25,631	317
352	376	Economics Laboratory	812,900	475,148	397	43,686	253
411	449	Pentair	623,900	445,014	408	15,228	362
421	-	Cray Research	596,700	700,303	330	124,815	127
431	453	Jostens	581,900	322,044	448	40,315	262
457	489	H.B. Fuller	528,500	291,180	458	18,922	341

Source: Fortune Magazine, dated April 27, 1987.

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